DOCUMENT RESUME

ED 114 344 SO 008 723

AUTHOR	Hopkins, Charles R., Ed.; Price, Ray G., Ed.
TITLE	Developing Economic Understanding through General Business and Advanced Basic Business: Course Outlines and Instructional Guides [And] Instructional Activities.
INSTITUTION	Joint Council on Economic Education, New York, N.Y.
PUB DATE	75
NOTE	73p.
AVAILABLE FROM	Joint Council on Economic Education, 1212 Avenue of the Americas, New York, New York 10036 (Course Outlines and Instructional Guides $2.50, Instructional Activities $1.50, 20 percent discount on 10 or more, paper)
EDRS PRICE	MF-$0.76 Plus Postage. HC Not Available from EDRS.
DESCRIPTORS	Behavioral Objectives; *Business Education; Class Activities; Course Evaluation; *Curriculum Development; *Economic Education; *Economics; *Instructional Improvement; Interdisciplinary Approach; Learning Activities; Secondary Education; Social Sciences; Tests

ABSTRACT

These publications are intended for secondary-level business educators who want to include more economics in their general and basic business courses. They can serve as curriculum development documents for those charged with redesigning course offerings. Part 1 of the first publication briefly discusses economic ideas to be developed in general business. Part 2 contains a general course outline of a full-year advanced business course and four sample instructional guides that outline behavioral objectives and suggested class and evaluative activities. The Appendices, which comprise about half of the document, contain ten tests and an economic attitude inventory. The second publication contains 75 class activities on economics which can be integrated into general and advanced business courses. Activities include classroom discussion, role playing, writing reports, guest speakers, and skits. (Author/RM)

****
* Documents acquired by ERIC include many informal unpublished *
* materials not available from other sources. ERIC makes every effort *
* to obtain the best copy available. Nevertheless, items of marginal *
* reproducibility are often encountered and this affects the quality *
* of the microfiche and hardcopy reproductions ERIC makes available *
* via the ERIC Document Reproduction Service (EDRS). EDRS is not *
* responsible for the quality of the original document. Reproductions *
* supplied by EDRS are the best that can be made from the original. *
****

ED114344

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

Developing Economic Understanding Through General Business and Advanced Basic Business:

Course Outlines and Instructional Guides

PERMISSION TO REPRODUCE THIS COPYRIGHTED MATERIAL BY MICROFICHE ONLY HAS BEEN GRANTED BY
Van den Heuvel
TO ERIC AND ORGANIZATIONS OPERATING UNDER AGREEMENTS WITH THE NATIONAL INSTITUTE OF EDUCATION. FURTHER REPRODUCTION OUTSIDE THE ERIC SYSTEM REQUIRES PERMISSION OF THE COPYRIGHT OWNER.

BOB 225

Charles R. Hopkins and Ray G. Price, Editors

Joint Council on Economic Education

Developing Economic Understanding Through General Business and Advanced Basic Business:

Course Outlines and Instructional Guides

Edited by
Charles R. Hopkins, Professor
Department of Business Education
University of Minnesota

and

Ray G. Price, Professor Emeritus
Department of Business Education
University of Minnesota

1975

Joint Council on Economic Education

00003

© 1975 Joint Council on Economic Education
All rights reserved.

00004

Foreword

The Joint Council on Economic Education is pleased to make this publication available to business educators who desire to include more economics in their general and basic business courses. It is intended to serve as a curriculum development document to be used by persons charged with redesigning present course offerings. Hopefully it will stimulate more extensive economic education activity among business education teachers because economic education is a crucial factor in the national effort to raise the level of economic decision-making.

We are indebted not only to Professors Ray Price and Charles Hopkins for their editorial services but also to the Business Economics Curriculum Project Coordinators: Thomas Duff, Richfield, Minnesota; Catherine Merrill, Fulton County, Georgia; Odessa Wyckoff and Eunice Judd, Oklahoma City, Oklahoma, for their untiring "front line" energies within their school systems. Others who contributed professional expertise to raise the quality of the curriculum through on-site consultation, manuscript review and teacher education were Dr. Herbert Jelley and Dr. Clayton Millington of Oklahoma State University, Dr. Theodore Boyden and Dr. Charles Boardman of Georgia State University, and Dr. John Helmberger and Dr. Darrell Lewis of the University of Minnesota. These individuals represent the best in cooperative services rendered by universities on behalf of school systems.

Organizationally we must also credit the National Business Education Association and Delta Pi Epsilon for constant encouragement and endorsement of the objective that economic literacy can be achieved through effectively combining business and economic education. Of course, the Joint Council's Oklahoma, Georgia and Minnesota affiliates were instrumental in providing supportive human, financial and material resources which local curriculum projects require. Certainly the individual school districts and their administrative and teaching staffs deserve much praise for taking the initiative and moving into uncharted waters with a resolute conviction that the job of economic education can be tackled through cooperative action by teachers, community leaders, and university scholars. Perhaps this curriculum document will encourage other school systems to join in the process.

S. Stowell Symmes
Director of Curriculum

00005

Preface

The following course outlines are selections from three business-economic curriculum projects. The purpose of these projects was to develop several patterns of economic education to be made available to other school systems as aids to improving the economic competency and understanding of students through the Business Curriculum. The projects were carried out in three school systems: Oklahoma City (Oklahoma), Odessa Wycoff, Project Coordinator; Fulton County (Georgia), Catharine B. Merrill, Project Coordinator; and Richfield (Minnesota), Thomas Duff, Project Coordinator. Funding was provided by the Joint Council on Economic Education, Affiliated Councils or Centers and the local school districts.

Charles R. Hopkins
Ray G. Price

00006

Contents

Part I

General Business 1

Economic Ideas to Be Developed in General Business 2

Part II

Advanced Basic Business 6

Section I—Advanced Basic Business (Full-Year Course) 7

General Course Outline 7

Sample Instructional Guides 9

Section II—Advanced Basic Business (Trimester Course Outlines) 17

Course 1 — Introduction to Business 17

Course 2 — Income Earning, Spending and Investing 18

Course 3 — Personal Law and Credit 18

Course 4 — Insurance 19

Appendix 1—Basic Economics — Unit Exam 21

Appendix 2—Economic Attitude Inventory 24

Appendix 3—Our American Economic System — Unit Exam 26

Appendix 4—Business Law — Pretest 29

Appendix 5—Law and Legal Problems — Vocabulary Worksheet 30

Appendix 6—Basic Business — Quiz 32

Appendix 7—Personal Law and Economics: Unit I — 20-Point Matching Quiz 33

Appendix 8—Personal Law and Economics: Unit I — Exam 34

Appendix 9—Personal and Consumer Contracts 37

Appendix 10—Personal and Consumer Contracts — Quiz 40

Appendix 11—Personal and Business Contracts — Unit II Exam 41

00007

Part I

GENERAL BUSINESS

General Business is the first or introductory course in the basic business sequence. As such, it is sometimes called "Basic Business I," "Beginning Basic Business," or "Introduction to Business." General Business is the course that should provide all students in the school an introduction to the business world in which they live. The specific purpose of general business is to explain the role and purpose of business in our economic system. The course is generally taught in the ninth or tenth grade, although this may vary from one school system to another.

General Business—Oklahoma City (Oklahoma) Public Schools

General Business in the Oklahoma City Public Schools is an elective course at either the ninth or tenth-grade level. Through the Business-Economics Curriculum Project, a writing team in Oklahoma City prepared *A Developmental Resource Unit in Economics: General Business.*[1] The purpose of this unit was to help teachers to integrate economic concepts in the teaching of general business. It was the feeling that in our complicated society a basic understanding of economics is essential to every citizen. The unit was an attempt to place emphasis on the areas of economics that are both relevant and adaptable to the general business course.

The General Business section of this publication includes topical course outlines from two schools: Oklahoma City (Oklahoma) and Elgin High School (Illinois). In addition, a list of fifteen topics identified by a national panel of experts as those which should be stressed in ninth or tenth grade General Business is included. The topical course outline for Oklahoma City is expanded to include the economic ideas to be emphasized and the student performance objectives for each economic idea as presented in *A Developmental Resource Unit in Economics: General Business.*

TOPICAL COURSE OUTLINES FOR GENERAL BUSINESS

Oklahoma City Public Schools[1]
Oklahoma City, Oklahoma

1. The Basic Economic Problem
2. The U.S. Market Economy
3. Competition
4. Gross National Product
5. The Business Cycle
6. Money and Banking
7. Monetary and Fiscal Policies
8. Saving and Investment
9. Role of Government in Consumer Protection
10. Labor
11. Insurance
12. Problems of a Growing Economy
13. Economic Conditions in the Local Community

Elgin High School[2]
Elgin, Illinois

1. Business in Our Economic System
2. U.S. Labor Force
3. Taxes and Taxation
4. Consumer Purchasing
5. Consumer Credit
6. Money Management
7. Money and Banking
8. Savings and Investments
9. Insurance
10. Career Guidance

Fifteen Modules of Learning for Selected Topics in General Business[3]

1. You and the Business Economy
2. Characteristics of a Free Enterprise System
3. Planning Your Future
4. Consumer Buying
5. Services for Consumers
6. Problems of the Consumer
7. Sources of Consumer Information
8. Establishing Credit
9. Kinds of Credit
10. The Cost of Using Credit
11. Citizenship Responsibilities
12. Automobile Insurance
13. Borrowing Money
14. Planning a Savings Program
15. Planning the Use of Your Income

---

[1] Mike Barlow, Hashel Deibel, Deanna Shepherd and Odessa Wycoff, *A Developmental Resource Unit in Economics: General Business* (Oklahoma City: Oklahoma City Public Schools, 1971).

[2] Barry L. Von Hook, "Individual Progression in General Business," *Business Education Forum*, 26 (March 1972), 58.

[3] Wanda Blackburn and Maurice L. Crawford, *Fifteen Modules for Selected Topics in General Business* (San Jose, Cal.: Institute for Business and Economic Research, School of Business, California State University-San Jose, 1972), p. 1.

[1] Mike Barlow, Hashel Deibel, Deanna Shepherd and Odessa Wycoff, *A Developmental Resource Unit in Economics: General Business* (Oklahoma City: Oklahoma City Public Schools, 1971).

00008

Economic Ideas to be Developed in General Business

Listed on the following pages are the course topics, economic ideas to be emphasized, and student performance objectives for each economic idea as presented in *A Developmental Resource Unit in Economics: General Business.*

I. The Basic Economic Problem

Economic Idea: The basic economic problem is scarcity.

Related Economic Idea A: The people of any society possess unlimited wants for goods and services, but the resources available to any society are limited. Resources include not only natural resources, but human resources and capital as well.

Student Performance Objective: Given a list of resources, the student will be able to classify them as either natural, human or capital. He or she will be able to recognize the basic economic problem by explaining the meaning of scarcity as related to resources.

Related Economic Idea B: Individuals and societies must allocate scarce resources among alternative uses.

Student Performance Objective: Given a production possibilities table and a list of wants, the student will be able to choose the production possibility which utilizes the most efficient allocation of resources in satisfying wants and to explain the reason for that choice.

Related Economic Idea C: An economic system must answer the questions of *what*? *how*? and *for whom*? goods and services will be produced.

Student Performance Objective: Given information about how a society answers the basic economic questions, the student will determine whether the society has a planned economy, a free economy or a mixed economy.

II. The U.S. Market Economy

Economic Idea: The U.S. economy is primarily a market economy; the activities of production, consumption and distribution of goods and services are determined by the pricing system.

Related Economic Idea A: The foundations of the American market economy are profit motivation, competition, the right of private ownership of property, and economic freedom.

Student Performance Objective: Using the sources of their choice, students will write a short essay in which they will show the relationship between the economic freedoms found in the foundations of the U.S. market economy and the individual freedoms found in the U.S. Constitution.

Related Economic Idea B: The resources needed for production are supplied to business by individuals in return for payments. Businesses use these resources to produce goods and services for the consumer in the hope of making a profit.

Student Performance Objective: The student will be able to construct a chart showing the circular flow of goods and services and to express verbally the significance of the flow to the functioning of our economy.

Related Economic Idea C: Prices are determined not only by the seller's willingness and ability to offer goods for sale but also by the consumer's willingness and ability to buy the various goods and services in the market.

Student Performance Objective: Given the situation of a shortage or a surplus of a product in the market, the student will be able to determine the effect on the price of the product. He or she will also be able to predict the probable effect of an increase in demand for a product on its price.

III. Competition

Economic Idea: Competition is a regulator in a free enterprise economy.

Related Economic Idea A: The consumer benefits when there is competition between firms because:

1. prices of goods and services are lower.
2. quality of goods and services may be better.
3. new kinds of goods and services are introduced to consumers.

Student Performance Objective: The student will be able to demonstrate an understanding of the benefits of competition among business firms to the consumer by predicting the effect on prices, quality of the product, and the introduction of new products, if firms were not allowed to compete.

Related Economic Idea B: There are four major market structures:

1. pure competition
2. monopolistic competition
3. oligopoly
4. monopoly

Student Performance Objective: Given information about a business firm, the student will determine what type of market structure it represents.

Related Economic Idea C: Two major forms of competition are price competition and product competition.

Student Performance Objective: Without assistance, the student will compose an original advertisement to illustrate product competition; and will select the market structure where price competition would most likely be used.

00009

IV. Gross National Product

Economic Idea: Gross National Product (GNP) is the market value of all goods and services produced by a nation in a given year.

Related Economic Idea A: Spending in the U.S. economy is done by:
1. consumers.
2. businesses.
3. governments.
4. foreigners.

Student Performance Objective: The student will be able to list the spending groups in the U.S. economy and will be able to discuss the types of expenditures made by each group.

Related Economic Idea B: A nation's standard of living depends on its total production.

Student Performance Objective: The student will be able to demonstrate, through verbal response, that he or she perceives that the increase in our nation's standard of living is related to the increase in spending and production that has occurred over the years.

Related Economic Idea C: GNP must be adjusted for changes in the price level so it will accurately reflect changes in physical output—not changes in prices.

Student Performance Objective: Given a chart of a hypothetical GNP and price level figures, the student will be able to adjust the GNP figures to constant dollars and will be able to explain the importance of making such an adjustment when comparing GNP for different years.

V. The Business Cycle

Economic Idea: The business cycle represents the changes in business activity and indicates the health of the economy.

Related Economic Idea A: The ideal business pattern shows a steady trend of growth in output at stable prices; this pattern, however, is often interrupted by inflation or recession.

Student Performance Objective: Given a chart that shows the general trend of economic activity, the student will be able to identify the different stages of the business cycle and explain the conditions which exist during each stage.

Related Economic Idea B: Periods of inflation are characterized by rising prices for virtually all goods and services.

Student Performance Objective: Given a list of economic conditions, the student will select the conditions which are characteristic of periods of inflation.

Related Economic Idea C: Periods of recession are characterized by high unemployment, falling production, and declining profits.

Student Performance Objective: Given an opportunity to role-play an adult during the "Great Depression," the student will describe economic conditions of the depression and will be able to compare economic conditions during 1929-33 with those of a more recent recession.

VI. Money and Banking

Economic Idea: Money facilitates the exchange of goods and is necessary in a market economy.

Related Economic Idea A: Anything can be used for money if it is acceptable and has a degree of scarcity.

Student Performance Objective: Given information about the resources of a hypothetical society, the student will be able to decide what resources could serve the society as a medium of exchange, and will be able to choose the resource that could *best* serve as a medium of exchange and explain the reason for the choice.

Related Economic Idea B: The money supply in the United States consists of currency and demand deposits (checking accounts).

Student Performance Objective: The student will recognize that money does not have to have intrinsic value, as gold does, in order to function as money, and will be able to contrast the relative importance of currency and demand deposits in our money supply.

Related Economic Idea C: The money supply is increased when commercial banks make loans and decreased when loans are repaid. The Federal Reserve System controls the amount of money that can be created by commercial banks.

Student Performance Objective: The student will be able to describe the process by which the commercial banking system increases or decreases the supply of money in our economy.

VII. Monetary and Fiscal Policies

Economic Idea: Monetary and fiscal policies are companion tools that can be used to promote price stability, full employment and economic growth.

Related Economic Idea A: Monetary policy is action taken by the Federal Reserve System to regulate the rate of growth of the money supply in an attempt to promote full employment, price stability, and economic growth.

Student Performance Objective: After participating in a project to demonstrate the process by which commercial banks make loans to individuals and businesses, and the influence of the implementation of the major tools of monetary policy, the student will outline the three major tools of monetary policy and select the one that he or she feels would be most successful in increasing the supply of money in our economy in an effort to promote full employment and economic growth.

Related Economic Idea B: Fiscal policy is action taken by the federal government to stabilize the economy

100010

through appropriate changes in government spending and changes in tax rates.

Student Performance Objective: Given the condition of an assumed inflation, the student will describe two fiscal policy actions that could be used to curb the upward trend; and given the condition of an assumed recession, the student will describe two fiscal policy actions that could be used to curb the economic decline.

VIII. Saving and Investment

Economic Idea: The savings plans of individuals and the investment plans of business firms influence the nation's economic growth.

Related Economic Idea A: The savings of individuals are needed to produce capital goods.

Student Performance Objective: The student will be able to trace the sequence through which savings of individuals are used by business firms to increase their capital equipment.

Related Economic Idea B: Investment in capital goods increases production and stimulates economic growth.

Student Performance Objective: The student will be able to distinguish between "real" and "financial" investment by choosing from a list of expenditures those that represent "real" investments; and will be able to show the relation of "real" investment to economic growth describing, in detail, how a specific investment could result in the production of more consumer goods.

IX. Role of Government in Consumer Protection

Economic Idea: In a complex industrial society, some kind of consumer protection is vital to insure intelligent consumption and to protect the interests of the individual consumer.

Related Economic Idea A: Both private and public agencies provide consumer protection against goods that may be harmful or falsely advertised.

Student Performance Objective: Without assistance, the student will list five public or private agencies available to help in protecting the consumer; and will make a general statement of the rationale for the development of consumer protective agencies.

Related Economic Idea B: A knowledge of consumer legal rights and responsibilities is necessary for consumer competency.

Student Performance Objective: The student will be able to outline the major rights and responsibilities of the consumer under the Oklahoma Uniform Consumer Credit Code.*

Related Economic Idea C: Sources of consumer information are an aid to wise consumer purchasing.

Student Performance Objective: The student will demonstrate the ability to make intelligent use of consumer information by using reliable sources to compare similar products manufactured by different firms. He or she will summarize the findings; decide which product to buy; and give reasons for this choice.

X. Labor

Economic Idea: Labor has a dual role in the economy: (1) it produces the goods and services the nation uses, and (2) it consumes the goods and services produced by the nation's economy.

Related Economic Idea A: The composition of our labor force has changed over the years.

Student Performance Objective: Using the resources of their choice, students will write individual reports which relate changes in the level of education of the worker to the economic growth of the nation.

Related Economic Idea B: Individual workers have joined labor unions to bargain with employers on equal terms.

Student Performance Objective: Without assistance, the student will compile an accurate list of some of the conditions that existed in the American economy that gave rise to the development of the labor union; he or she will also compile an accurate list of some of the changes that have occurred in the American economy during the 20th century which have contributed to the extensive growth of union membership.

Related Economic Idea C: The government looks after the public interest in labor-management negotiations.

Student Performance Objective: The student will write a paragraph to identify correctly and explain the role of government in labor-management relations.

XI. Insurance

Economic Idea: Insurance provides for the mutual sharing of economic risks.

Related Economic Idea A: The private insurance industry plays an important role in stabilizing the American economy by providing economic security for the individual and the business person.

Student Performance Objective: The student will demonstrate an understanding of the importance of insurance by designing a financial security plan to meet his or her individual needs.

Related Economic Idea B: Through the social security insurance system in our economy, the economic problems of old age and disability are shared by society in general.

Student Performance Objective: (See Student Performance Objective for Related Economic Idea A.)

* Teachers in other areas may cite the laws of their own states or cities.

00011

Related Economic Idea C: Education is a type of "job insurance" to help guarantee economic security.

Student Performance Objective: (See Student Performance Objective for Related Economic Idea A.)

XII. Problems of a Growing Economy

Economic Idea: As an economy industrializes and grows, social and economic problems are created and compounded. A society must be prepared to deal effectively with these problems in order to maintain or improve the life of the individual in the society.

Student Performance Objective: The student will be able to identify social and economic problems which exist in a growing economy and will be able to use current publications as research tools as an aid in developing and proposing possible solutions to these problems.

XIII. Economic Conditions in the Local Community

Economic Idea: The student should be informed about the institutions and economic conditions of the local community. The following topics may be discussed:

1. employment
2. consumer protection
3. industrial development
4. state government
5. local government
6. Chamber of Commerce
7. unions

Student Performance Objective: The student will indicate an increased knowledge of the institutions and economic conditions in the local community by (a) gathering information and summarizing the findings about each of the subjects below, and (b) revising the original summary to include new information presented by the various resource speakers.

(1) employment; (2) consumer protection; (3) industrial development; (4) state government; (5) Chamber of Commerce; (6) local government; (7) unions.

Textbooks:

S. Joseph DeBrum, Peter G. Haines, Dean R. Malsbury and Ernest H. Crabbe, *General Business for Economic Understanding*, 10th ed. (Cincinnati: South-Western Publishing Co., 1971).

Ray G. Price, Vernon A. Musselman and J. Curtis Hall, *General Business for Everyday Living*, 4th ed. (New York: Gregg Division/McGraw-Hill Book Company, 1972).

000012

Part II

ADVANCED BASIC BUSINESS

Daughtrey has defined basic business as:

> . . . that broad area of knowledge which deals with the American enterprise system, which identifies and explains the role of business as an American economic institution, and which provides content and experiences that prepare the individual for effective participation as a citizen and consumer in the American society. Moreover, basic business is a part of the general education of every individual because its content aids him in developing an understanding of business as a basic institution in the American social process, of the role of business in the economy, and of the individual's economic role in relation to both his personal needs and to the economy as a whole. Further, basic business content aids the individual in developing a functional knowledge of the role of American business in relation to world affairs.[1]

The term basic business if often used to designate the entire area of foundational and advanced business and economics courses commonly offered at the secondary school level. Some of the courses commonly found in this area include general business, consumer economics (problems), applied economics, economics, business law, and introduction to business.

Basic Business—Richfield (Minnesota) Public Schools

When the Business-Economics Curriculum Project began, there was only one course offered in the Richfield schools which could be considered basic business in nature. There were no separate business law, general business, consumer economics, or introduction to business courses. The course which was included in the curriculum was entitled "Basic Business" and attempted to integrate macroeconomics, microeconomics, personal economics, consumer economics, general business, and business law all into one course. The rationale for this integration was the feeling that students should be exposed to all aspects of a topic when it is studied. For example, when studying insurance students learn certain facts about insurance, discover the economic implications of insurance (personal and societal), and examine the legal aspects of the insurance contract. Through this approach an attempt is made to integrate the legal and economic aspects as each topic area is studied rather than studying them separately as might be done in separate courses.

For the past several years, "Basic Business" was offered only as a full-year elective course for students in their junior or senior years. There were no prerequisites for the course and students who enrolled came with a broad range of skills, knowledges, experiences and understandings.

In 1973-74, the "Basic Business" course was changed from a full-year offering to four trimester* courses. This was consistent with a curricular reorganization which took place throughout the entire high school. The trimester courses continue to be elective courses for students in their junior or senior years. There are no prerequisites for any of the trimester courses and they are organized on a nonsequential basis. Students are allowed to register each trimester and all four courses are offered each trimester. Trimester "Basic Business" courses offered at Richfield Senior High School include the following:

Basic Business—Introduction to Business
Basic Business—Income Earning, Spending, and Investing
Basic Business—Personal Law and Credit
Basic Business--Insurance

Materials from the Richfield Project are presented in two sections. Section One contains general course objectives, general course outline, and four sample instructional guides with behavioral objectives for the "Basic Business" course at Richfield Senior High School as it was organized and taught as a full-year course. Section Two includes outlines for the "Basic Business" course as it has been reorganized to fit into the trimester scheduling recently instituted at Richfield Senior High School.

[1] Anne Scott Daughtrey, *Methods of Basic Business and Economic Education*, 2nd ed. (Cincinnati: South-Western Publishing Company, 1974), pp. 41-42.

*A trimester is a three-month period of time.

00013

SECTION I
Advanced Basic Business (Full-Year Course)
RICHFIELD SENIOR HIGH SCHOOL

General Course Objectives

Advanced basic Business Course objectives have been established in two broad areas:

1. Societal economics
2. Personal economics

The objectives listed below are minimal objectives. In other words, it is expected that every student enrolled in this course will accomplish at least these things. It is believed, however, that many students are capable of going beyond these general objectives while completing their work in this course. This is made possible by allowing students to examine areas of societal or personal economics which are not included in the general course outline or by assisting students to examine in greater depth one of the general areas already being studied.

Objectives in the Area of Societal Economics:

1. Students will understand better why an economic system is a necessity of every society—to aid in solving the basic economic problem of allocating resources to best satisfy wants and needs.
2. Students will develop a foundation on which to build an understanding of the American economic system, particularly how it functions in the business and consumer sectors.
3. Students will develop a better understanding of their responsibilities and opportunities as consumers, workers and voters in our American private enterprise system.
4. Students will broaden their business and economic vocabulary which will enable them better to understand news reports and other information which affect their economic activities now as consumers and later as consumers, workers, and voters on economic issues that affect the nation as a whole.

Objectives in the Area of Personal Economics:

1. Students will develop an awareness of the importance of analyzing personal economic problems and will develop concepts which will make them skillful buyers and users of goods and services available in our private enterprise economic system.
2. Students will develop an understanding of the nature of government's role in providing aids and controls to integrate the operations of the business and consumer sectors of our private enterprise system.
3. Students will develop an understanding of the important roles of labor, management and government in our private enterprise system and will develop an appreciation of the complexity of their relationships because of the human factors involved in each area.
4. Students will become aware of the various types of taxes levied by governmental units and will develop an understanding of why these taxes are necessary if governmental units are to provide the services desired by individuals, families and businesses in our nation today.
5. Students will develop an understanding of the organization and operation of our banking system and the nature and use of money in our private enterprise system.
6. Students will develop an understanding of the nature of credit and how it can be used advantageously to help to solve their economic problems.
7. Students will become aware of the services available at financial institutions in the area and will develop an understanding of how these services can be used to assist in their economic activities.
8. Students will become aware of the many different opportunities provided for saving and investing in our economy and will develop an understanding of how to plan saving and investing in order to meet their specific economic goals.
9. Students will become aware of the different types of insurance protection available and will develop an understanding of how to use the different types of insurance as protection against potential economic losses.
10. Students will become aware of the many legal documents and instruments commonly used in consumer transactions in our economy and will develop better insight regarding their legal problems.

General Course Outline

Following is the course outline for the one year advanced basic business course. The outline is *general*; therefore, some changes are made as the class progresses. To achieve the previously stated objectives, however, every attempt should be made to stick with the outline.

The number of days tentatively allotted for each unit is indicated. This time allotment includes *all activities* for the unit, including the final unit exam.

The units have been separated into two types: Societal Economics Units and Personal Economics Units.

SOCIETAL ECONOMICS UNITS

I. Basic Economics (10 days)

A. Wants and needs
B. Allocation of resources
C. Rational decision-making

00014

D. Decisions for every economic system (production and distribution)
E. Establishing and attaining economic goals

II. Our American Economic System (15 days)

A. Characteristics—private enterprise, modified free market
B. Supply and demand
C. Circular flow of goods and services
D. Comparing economic systems
E. Measuring our economic growth

PERSONAL ECONOMICS UNITS

I. Law and Legal Problems (12 days)

A. Nature and kinds of law
B. Types of courts
C. How laws are enforced
D. Legal rights and duties
E. Landlord-tenant responsibilities

II. Business and Consumer Contracts (8 days)

A. Nature of contracts
B. Elements of contracts
C. Discharge of contracts
D. Remedies for breach of contract
E. Uniform commercial code

III. Protecting Against Economic Losses (15 days)

A. Economic risk and sharing of losses
B. Property and liability insurance
C. Automobile insurance
D. Health and accident insurance
E. Life and social insurance

IV. Business in Our Economic System (15 days)

A. General characteristics of business
B. Legal forms of business organization
C. Management of business
D. Business's changing technology
E. Agribusiness developments and problems

V. Consumer Protection (10 days)

A. Advertising and the consumer
B. Government protection agencies (federal, state and local)
C. Private protection agencies (Consumers' Union, Consumers' Research)
D. Better Business Bureau
E. Buyer-seller and the law

VI. Taxes in Our Economic System (15 days)

A. Why taxes? (federal, state and local)
B. Principles of taxation
C. Individual and corporate income taxes
D. Social and employment taxes
E. Other taxes borne by the consumer

VII. Labor, Management and Government Relationships (15 days)

A. Labor movement
B. Current labor organizations
C. Legal aspects of employment contracts
D. Labor-management relations
E. Government's role in labor-management relations

VIII. Money, Credit and Banking and Their Effects (10 days)

A. Nature and kinds of money
B. Our money supply and its backing
C. Nature and kinds of credit
D. Effects of money and credit on the total economy
E. Organization and functions of the Federal Reserve System

IX. Using Consumer Credit (15 days)

A. Essentials of consumer credit
B. Installment and noninstallment credit
C. Credit agencies
D. Legal problems of debtors and creditors
E. Costs of using credit

X. Services Available From Financial Institutions (10 days)

A. Functions of financial institutions in our economy
B. Services of commercial banks
C. Services of savings and loan associations
D. Functions and services of credit unions
E. Services of other financial institutions

XI. Saving and Investing (10 days)

A. Why saving and investing?
B. Saving and investment objectives
C. Opportunities available
D. Risk determination and evaluation
E. Operation of investment markets

XII. Consumer Spending (10 days)

A. Budgeting
B. Buymanship
C. Family financial decision-making

Textbooks:

W. Harmon Wilson and Elvin S. Eyster, *Consumer Economic Problems*, 7th ed. (Cincinnati: South-Western Publishing Company, 1967). (A 1971 edition is also available.)

Workbook to accompany text listed above.

McKee Fisk and James C. Snapp, *Applied Business Law*, 9th ed. (Cincinnati: South-Western Publishing Company, 1966).

Workbook to accompany text listed above.

Ronald A. Anderson and Walter A. Kumps, *Business Law*, 9th ed. (comprehensive volume) (Cincinnati: South-Western Publishing Co., 1972).

00015

SAMPLE INSTRUCTIONAL GUIDES
Advanced Basic Business
Societal Economics

Instructional Guide 1: Basic Economics

GENERAL OBJECTIVE FOR THE UNIT:

The students will better understand why an economic system is a necessity of every society—to aid in solving the basic economic problem of allocating resources to satisfy wants.

TIME ALLOCATION FOR THE UNIT:

Ten (10) days

REQUIRED STUDENT READING:

Chapter 1, pp. 1-18; Chapter 3, pp. 35-60; and Chapter 4, pp. 61-78 from the textbook *Consumer Economic Problems*, 7th ed.

SUPPLEMENTARY STUDENT READING:

(To be completed later when all resources are organized—supplementary reading lists should be duplicated and handed out to each student.)

INITIATORY ACTIVITIES:

1. Use as a pretest Study Guide 1 from assigned workbook. Pretest on wants, needs, goods, and services—40 true-false items (pages 1-2 of workbook).
2. Use as a pretest Study Guide 3 from assigned workbook. Pretest on production, factors of production, and the like—35 true-false and completion items (pages 9-10 of workbook).
3. Use as pretest Study Guide 4 from assigned workbook. Pretest on distribution, marketing, channels of distribution, and the like—35 matching, completion and true-false items (pages 13-14 of workbook).

DEVELOPMENTAL STUDENT ACTIVITIES AND BEHAVIORAL OBJECTIVES:

A. Wants and Needs

Activity 1: Students develop an individual list of needs and wants for economic goods and services which they have at present or will have in the future. Wants will be classified as essential and nonessential.

Behavioral Objectives:

1. Each student will indicate an awareness of what constitutes wants and needs for economic goods and services by listing at least five examples of each.
2. Each student will indicate the ability to differentiate between nonessential and essential wants by classifying from a list of wants those which fall into each category.
3. Each student will indicate a knowledge of what constitutes economic goods and services by being able orally to give examples of at least five of each.
4. Each student will discover that wants are unlimited and will be able to write a brief paragraph explaining why this is true.
5. The students will recognize some of their wants and needs for economic goods and services by preparing individual lists of at least 15 wants and needs for economic goods and services.

B. Allocation of Resources

Activity 1: Teacher-directed class discussion on why it is impossible to satisfy all wants and needs for economic goods and services.

Behavioral Objectives:

1. The students will indicate that they realize it is virtually impossible to satisfy all our wants and needs for economic goods and services by their oral discussion of the question "Is It Possible to Satisfy All Our Wants and Needs?"
2. The students will indicate an awareness of the fact that satisfaction of some wants and needs for economic goods and services creates additional wants and needs by orally indicating what additional wants and needs can be created by the purchase of economic goods and services.
3. Each student will indicate an awareness of the fact that "scarcity" constitutes the basic economic problem of mankind by writing individually a paragraph describing the basic economic problem.
4. Each student will indicate a realization that one's ability to satisfy wants and needs for economic goods and services is limited by presenting orally or in written form five reasons why this limitation exists.
5. Each student will indicate that he or she realizes that study of economics involves a study of the relationship of limited resources and unlimited wants (the scarcity concept) by writing in five minutes or less a definition of the term economics.

C. Rational Decision-Making

Activity 1: Teacher lecture and case studies on rational decision-making.

Behavioral Objectives:

1. Each student will indicate an awareness of the decision-making processes in solving economic problems by presenting decision-making steps in proper sequence either orally or in writing.
2. Each student will indicate an awareness that goals or objectives are necessary for making rational economic decisions by identifying at least one irrational economic decision made recently because goals or objectives were not in mind when the decision was made.
3. The students will indicate a realization of the fact that there are usually a number of possible solutions to economic problems by identifying at least three alternative solutions to each case study presented for discussion.
4. The students will indicate that they realize solutions to various economic problems that seem rational to one person may not seem rational to others by oral discussion of alternative solutions proposed for each of the case studies.
5. The students will indicate that they realize that some solutions to economic problems which are beneficial to specific individuals may not be acceptable to the nation

00016

as a whole by giving orally or in writing at least five examples to illustrate this concept.

6. The students will indicate the ability to use a rational decision-making process in economics by presenting solutions for five case problems and an outline of the steps followed to arrive at their solutions.

D. Decisions for Every Economic System

Activity 1: Teacher-directed class discussion and reading from the textbook to establish what economic decisions have to be made by every society. (Scarcity of resources necessitates choices in their use.)

Behavioral Objectives:

1. Each student will indicate an awareness that every economic system must make decisions on *what* economic goods and services to produce (e.g., guns vs. butter, space ships vs. education) by presenting orally or in writing a list of the four economic decisions which must be made in every economic system.
2. Each student will indicate an awareness that every economic system must decide *how much* of each economic good or service will be produced by presenting orally or in writing a list of the four economic decisions which must be made in every economic system.
3. Each student will indicate an awareness that every economic system must make decisions on *how* to produce economic goods and services (e.g., automation vs. manual labor, computer billing vs. hand billing) by presenting orally or in writing a list of the four economic decisions which must be made in every economic system.
4. Each student will indicate an awareness that every economic system must make decisions on how to distribute the economic goods and services it produces (in the U.S. income distribution determines distribution of goods and services) by presenting orally or in writing a list of the four economic decisions which must be made in every economic system.
5. Each student will indicate a knowledge of the fact that economic systems may and do differ in how they make these basic economic decisions by writing a paragraph indicating at least three differences between the economic systems of the United States and the Soviet Union in the area of making these basic economic decisions.

Activity 2: Teacher-directed class discussion of production and distribution in economic systems.

Behavioral Objectives:

1. Students will be able to define and differentiate orally or in writing the two broad economic terms "production" and "distribution."
2. Students will indicate an awareness that production and distribution are interdependent in economic systems by giving three examples, orally or in writing, of how the activities of each are interrelated.
3. Students will indicate an awareness of what constitutes the factors of production—land, labor, capital, management and government—by writing a short definition and giving at least one example of each.
4. Students will indicate a realization of the fact that all the factors of production are used in varying quantities to carry out production by identifying in writing in one page or less three examples of how the factors may be apportioned.

E. Establishing and Attaining Economic Goals

Activity 1: Students choose from previously made list of wants and needs their five major wants and arrange these wants in order of priority to establish their individual economic goals.

Behavioral Objectives:

1. Students will know what their five major economic goals are at the present time by individually preparing a written list of them.
2. Each student will develop an understanding of how difficult it is to decide on a priority for individual economic goals by attempting to arrange five major economic goals in order of priority in a written list.
3. Each student will develop an awareness of the many factors which must be considered when establishing individual economic goals by preparing a list of goals and indicating factors affecting the choices.
4. The students will develop an appreciation of the fact that individual economic goals may differ greatly as lists of selected goals are read (anonymously) to the entire class.

Activity 2: Teacher lecture on the five national economic goals: freedom, growth, stability, justice and security. Students individually arrange these five national economic goals in order of priority. Using students' individual lists, determine the priority of these goals for the class as a whole.

Behavioral Objectives:

1. Each student will indicate an awareness of what the five national economic goals are by identifying them orally or in writing.
2. Each student will develop an appreciation of the difficulty of determining the importance of the national economic goals by attempting to develop a list of the goals in order of priority.
3. The students will develop an appreciation of the fact that individuals rate these national economic goals differently as the individual lists are tabulated to establish the priority listing for the class as a whole.
4. The students will compare and relate their individual economic goals (from Activity 1 under E) to these national economic goals by writing an essay of at least one page indicating similarities and/or differences between the two sets of goals and reasons for the similarities or differences.
5. Each student will indicate that he or she has discovered the priority generally given to each of these national economic goals by the two major political parties by indicating orally or in writing the ranking of these goals by each political party.
6. Each student will know how his or her individual ranking of the national economic goals compares to or differs from the ranking of the class as a whole when the tabulation for the entire class is completed.

Activity 3: Teacher-directed discussion and development of the concept that nations can have only two of the three goals of freedom, growth and stability.

00017

Behavioral Objectives:

1. Students will indicate their understanding that in order to increase the emphasis toward attaining one national economic goal a nation must decrease its emphasis on attaining another by giving examples orally or in writing of situations where this principle applies.
2. Students will indicate that they are able to use this analytical tool to help them better to understand shifts in the emphasis placed on these three national economic goals in contemporary society by writing individually one-page reports giving their opinions and examples to support them on which of the two national economic goals are given primary emphasis in our present society; what changes, if any, have taken place in the emphasis during the past ten years; what changes, if any, are likely to occur in the emphasis during the next ten years.

Activity 4: Students construct a bar graph indicating ownership and use of selected economic goods and services in various countries of the world. Data needed to construct these bar graphs are available in the student workbook, pages 4-6, or may be found in reference books available in the classroom or school library.

Behavioral Objectives:

1. Each student will demonstrate the ability to plan, construct, read and interpret a bar graph by preparing one for an individual economic good or service.
2. The students will indicate that they realize that ownership and use of selected goods and services differ greatly in various countries of the world by giving an oral comparison of the graphs they have prepared.
3. The students will indicate that they realize that the level of living, as indicated by these graphs, is considerably higher in the U.S. than in any other country of the world by indicating orally which country used the greatest total amount and per capita amount of each good or service graphed by members of the class.
4. The students will indicate an awareness of the fact that the United States puts a major emphasis on production of consumer goods and services by orally stating this fact when comparing the graphs prepared by members of the class.

EVALUATIVE ACTIVITY:

Each student will complete in a maximum time of 45 minutes a 40-item, five-option multiple-choice exam in which each will be judged on knowledge of facts and vocabulary terms covered in this unit and on ability to apply principles which have been presented and used throughout the unit to solve various problems. (See Appendix 1, pp. 21-23.)

Instructional Guide 2: Our American Economic System

GENERAL OBJECTIVE FOR THE UNIT:

The students will develop a foundation on which they can build an understanding of the American economic system, particularly how it functions in the business and consumer sectors.

TIME ALLOCATION FOR THE UNIT:

Fifteen (15) days

REQUIRED STUDENT READING:

Chapter 2, pp. 19-34; Chapter 9, pp. 156-180; and Chapters 12-14, pp. 215-274 from the textbook *Consumer Economic Problems*.

SUPPLEMENTARY STUDENT READING:

(To be completed later when all resources are organized—supplementary reading lists should be duplicated and handed out to each student.)

INITIATORY ACTIVITIES:

1. Students will complete a 40-item inventory of economic attitudes. (See Appendix 2, pp. 24-25.)
2. Use as pretest Study Guide 2 from assigned workbook. Pretest on the "American Free-Enterprise System"—40 true-false items (pages 7-8 of workbook).

DEVELOPMENTAL STUDENT ACTIVITIES AND BEHAVIORAL OBJECTIVES:

A. Characteristics—Private Enterprise, Modified Free Market

Activity 1: Students read Chapter 2, pp. 19-34, in textbook. Teacher-directed discussion of what constitutes the basic characteristics of our American economic system—competition, private property, profit motive and free markets.

Behavioral Objectives:

1. Each student will be able to identify orally or in writing the four characteristics of our American economic system.
2. Each student will be able to write a brief definition for each of the terms used to describe the characteristics of our economic system.
3. Students will indicate that they can define additional terminology used in the assigned chapter by being able to choose the proper definition for each term from five options on a multiple choice question.

Activity 2: Students conduct an informal survey to discover if the local population is aware of what constitutes the basic characteristics of our American economic system. Students will determine which members of the community will comprise the survey (size of sample, stratification, and the like), which students should conduct the actual survey to collect the data, which students will tabulate the results and which students will prepare a class presentation interpreting the results.

Behavioral Objectives:

1. Students will indicate their ability to organize as a group to solve a particular problem by completing this activity.
2. Students will indicate their awareness of what constitutes a representative sample for a survey of this type by actually determining who will constitute the sample.
3. Students will indicate whether or not they feel the results of this kind of a survey using this type of sample provides an accurate appraisal of the community's understanding of our economic system by writing at least a one-page paper expressing their views on this topic.
4. Students will indicate, in writing, their suggestions for improving this activity in the future.

00018

Activity 3: Each student will write out as a homework assignment and be prepared to discuss orally in class the ten (10) questions for discussion at the end of Chapter 2 of the testbook, page 33.

Behavioral Objectives:

1. Students will individually indicate by a written discourse on each question that they have spent a certain amount of time developing opinions regarding the questions.
2. Students will discover through oral discussion on each of these questions that different opinions prevail for almost all of the questions.

B. Supply and Demand—Our Market System

Activity 1: Students read Chapter 12, pp. 215-234, in the textbook. Then, using duplicated copies of hypothetical supply and demand curves for assistance, participate in a teacher-directed discussion of supply and demand. Students will use duplicated material as a tool to help them to see how supply and demand determine prices of products in our economy.

Behavioral Objectives:

1. Students will indicate their ability to read supply and demand curves properly by orally answering questions regarding the duplicated supply and demand curves they use in class.
2. Given a supply curve and a demand curve, each student will indicate the ability to determine what the equilibrium price will be by writing the correct price for at least three examples.
3. Students will indicate their ability to identify definitions for terminology used in the chapter by choosing the proper definition for each term from five options on a multiple-choice exam.

Activity 2: Students will develop simple demand curves to indicate what the demand curve would look like for each of the following products:

a. Salt

b. Automobiles

Teacher-directed discussion and transparency illustration of what these two demand curves would look like should follow student attempts at construction.

Behavioral Objectives:

1. Students will indicate the ability to differentiate between elastic and inelastic demand by writing individually at least a one-page paper that differentiates, compares, contrasts or discusses generally the two types of demand.
2. Students will indicate orally or in writing at least five products whose demand curves would tend to be elastic and at least five products whose demand curves would tend to be inelastic.

Activity 3: Each student chooses a particular product and prepares a written list indicating what factors may cause changes in

a. the demand for the products.

b. the supply of the products.

Students should use their individual lists for particular products to prepare one large list indicating factors which may cause changes in either supply or demand in general. Class list to be duplicated and handed out to each student.

Behavioral Objectives:

1. Students will indicate, on the basis of a list prepared for an individual product, that they are aware of the fact that changes may occur in supply and demand for a particular product.
2. Students will indicate their ability to identify at least five reasons for change in both demand for and supply of a product by orally listing reasons for changes in each of these areas.
3. Students will indicate their ability to identify reasons for changes in either supply or demand of a product in general by choosing valid reasons from five options on a multiple-choice exam with at least 90 percent accuracy. (See Appendix 3, pp. 26-28.)

C. Circular Flow of Goods and Services

Activity 1: Teacher-directed presentation and discussion of circular flow concept. Students give series of examples illustrating each type of flow. Use whole-part-whole approach—an overview of entire concept through circular flow chart, examination of each part by use of illustrations, put all parts together to present whole concept.

Behavioral Objectives:

1. Each student will indicate an understanding of the circular flow concept by explaining in at least one page of writing the concept of the circular flow of goods and services, productive resources, and money in our economic system.
2. Students will indicate their ability to identify which type of flow is affected by a particular transaction by choosing the proper flow which is affected for at least seven out of ten transactions.

D. Comparing Economic Systems

Activity 1: Teacher-directed planning session on problems of comparing economic systems. Students will determine *why* they should compare economic systems, *how* to compare them, and suggest an outline to be used for comparing various economic systems of the nations of the world.

Behavioral Objectives:

1. Students will indicate their awareness of the importance of studying other economic systems by giving orally at least five reasons for comparing economic systems of the world.
2. Students will indicate that they have ideas on how to approach comparing economic systems of the nations of the world by establishing an outline of the procedure to be followed in examining the economic systems of various countries.
3. Students will indicate their ability to accomplish plans as a group through the democratic process by developing the outline to be followed by all groups in examining various economic systems.

Activity 2: Students will organize groups of two or three members to gather information on the economic systems and development (resources, systems, GNP and the like) of various nations. Each com-

00019

mittee will select a nation from a list prepared by the instructor to facilitate gathering data on different types of nations. Each committee will prepare a written report and be prepared to summarize its report orally to the entire class. The reports will be structured by the outline suggested by the students in Activity 1, above.

Behavioral Objectives:

1. Each student group will indicate its ability to use reference books available to locate, analyze and report the facts required for each economic system by preparing their written reports structured around the outline suggested by the class.
2. Students will demonstrate their ability to synthesize and summarize information by briefly summarizing their written reports in a three-minute oral report to the entire class.

E. Measuring Our Economic Growth

Activity 1: Teacher-directed discussion to assist students in developing an understanding of GNP—definition of GNP, definition of components of GNP and examples of goods or services which comprise each component. Students are made aware of the fact that GNP is the basic measuring device of an economy—it may be inaccurate in some instances, but it is the *best* measurement available.

Behavioral Objectives:

1. Each student will indicate knowledge of what comprises GNP by writing an accurate definition of GNP.
2. Each student will indicate knowledge of the components of GNP by listing them in writing—consumer spending, government spending, private domestic investment, and difference between value of exports and imports.
3. Each student will indicate knowledge of what comprises each of the components of GNP by being able to choose an example of each component from five options on a multiple-choice exam. (See Appendix 3, pp. 26-28.)
4. Each student will indicate that he or she knows approximately what the GNP of the United States was for last year and what the predicted GNP is for this year by currently identifying these figures orally or on a five-option multiple-choice exam. (See Appendix 3, pp. 26-28.)

Activity 2: Students complete Projects 22 and 23, pages 45-46, from their assigned workbook. These projects require students:

a. To find, record, and graph data (amounts) on current economic indicators (GNP, National Income and the like) and compare the current data with figures from the past.
b. To find, record and graph data on current GNP of the United States and its components.

Behavioral Objectives:

1. Students will indicate their awareness of economic indicators by listing orally or in writing the names of at least five of the major economic indicators used in the United States.
2. Students will indicate that they can identify the definitions or explanations of what constitutes the components of an economic indicator by selecting the proper definition for economic indicators on a five-option multiple-choice test. (See Appendix 3, pp. 26-28.)
3. Each student will indicate the ability to find current data in the reference books on each of the economic indicators by successfully completing Workbook Project 22.
4. Each student will indicate the ability to construct a graph based on current data which he or she has found for components of GNP for the United States by completing Workbook Project 23.

Activity 3: Each student chooses a topic from a teacher-prepared list of problems and/or issues in the area of measuring economic growth. Students will individually prepare a one-page discussion paper defining or explaining the issues surrounding the problem as it is posed in the topic list and expresses their individual views and opinions regarding the topics. Some of the topics which may be used include:

a. How can economic growth be increased?
b. Should we be concerned if our economy does not grow as fast as that of the USSR?
c. How can America help less advantaged countries economically?
d. How are economic growth and personal income related?
e. How is economic growth measured?
f. How are economic and population growth related?
g. Why have some of the poor countries not grown economically?
h. How is demand related to economic growth in the aggregate?
i. Who determines how fast the United States economy should grow?
j. What is inflation and how does it affect economic growth?
k. Why is continued economic growth desired?

Behavioral Objectives:

1. Each student will indicate an awareness of the problems and/or issues involved in one of these subjective questions by describing the issues in at least a one-page written report incorporating his or her perception of the issues.
2. Each student will indicate views and opinions regarding the problem and/or issue posed by one of the questions by writing at least a one-page paper discussing his or her feelings regarding the topic.

000020

Instructional Guide 3: Law and Legal Problems*

GENERAL OBJECTIVE FOR THE UNIT:

Students will become familiar with the law, court structure, law enforcement and rights, responsibilities and obligations regarding our legal system. This will assist them in solving personal legal difficulties and enable them to recognize when they should seek the services of a qualified attorney.

TIME ALLOCATION FOR THE UNIT:

Twelve (12) days

REQUIRED STUDENT READING:

Unit 1 (Parts A-C), pp. 1-21 and Unit 11 (Part C), pp. 514-524 from textbook, *Applied Business Law*, 9th ed.

SUPPLEMENTARY STUDENT READING:

Duplicated materials to be handed out in class at the discretion of the individual instructor.

INITIATORY ACTIVITIES:

1. Students will complete a 20-item yes-no business law survey. (See Appendix 4, p. 29.)
2. Examination of how to study business law, p. vii, and how to solve legal problems and cases, p. viii, of the textbook by the class as a group.
3. Discuss, as a group, the everyday use of business law, pp. 1-4 textbook.

DEVELOPMENTAL STUDENT ACTIVITIES AND BEHAVIORAL OBJECTIVES:

A. Nature and Kinds of Law

Activity 1: Students read Part 1-A, pp. 5-12, in textbook and complete duplicated vocabulary worksheets, Part 1A.(See Appendix 5, pp. 30-31)

Behavioral Objectives:

1. Each student will be able to define the four forms of law discussed in the assigned reading and will be able to give illustrations of existing laws in each category.
2. Each student will be able to match correctly all legal terms with their definition on the assigned vocabulary worksheets.

Activity 2: Students will view film, *The Law Protects the People*.

Behavioral Objectives:

Students will be able to prepare a one-page essay describing in their own words how laws are designed to protect them in our society.

B. Types of Courts and Law Enforcement

Activity 1: Students will read Part 1-B, pp. 13-20 in the textbook and complete duplicated vocabulary worksheets, Part 1B. (See Appendix 5, pp. 30-31.)

Behavioral Objectives:

1. Students will be able to identify the different types of courts in our legal system and give illustrations of cases which come under the jurisdiction of each level of court.
2. Students will be able to differentiate between civil action and criminal action in our legal system.
3. Students will be able to identify the power of the various courts and procedures used by the various courts to enforce their judgments in civil cases.
4. Students will be able to match correctly all legal terms with their definitions on the assigned vocabulary worksheet.

Activity 2: Students will listen to prerecorded tapes on jury selection and final instructions to the jury.

Behavioral Objectives:

1. Students will be able to describe orally procedures used for selection of a jury in a civil action.
2. Students will be able to summarize the techniques used in charging a jury in a civil action.

Activity 3: Students will view the following films:

a. *Bill of Rights in Action: Story of a Trial*
b. *Basic Court Procedures*
c. *True and the Just*

Behavioral Objectives:

Students will be able to relate the ideas and concepts presented in the films to the class discussion of courts and law enforcement which preceded the viewing.

C. Legal Rights and Duties

Activity 1: Students will read Part 1-C, pp. 21-30, in the textbook and complete duplicated vocabulary worksheets, Part 1C. (See Appendix 5, pp. 30-31.)

Behavioral Objectives:

1. Students will be able to define, classify and distinguish orally and/or in writing among the various crimes and torts.
2. Students will be able to identify who is *not* legally responsible for crimes and torts in our legal system.
3. Students will be able to state orally and/or in writing their liability for crimes and torts committed by them.
4. Each student will be able to match correctly all legal terms with their definitions on the assigned vocabulary worksheet.

Activity 2: Students will be divided into small groups and study Case Problems 1-4, p. 30, of the textbook. Each group will appoint a group leader who will report the decision of the group on each problem and the rationale of the group for its decision.

Behavioral Objectives:

1. Students will indicate their ability to organize as small groups to solve a particular problem by making deci-

* *Note:* The economic aspects of this section, "Law and Legal Problems," may not be readily apparent. It is related to personal economics in the sense that the consumer's real income may decline if he or she is ignorant of his or her legal rights and how to go about securing those rights. In the case of renting a house or apartment, for example, the total real cost to the consumer may be higher than it should be if the tenant is ignorant of the landlord's obligations and how to take action against a landlord who fails to live up to those obligations. The tenant may not be getting all the services he or she is paying for, and this constitutes a decline in *real* income. (*Real income* means the goods and services one obtains with one's money income.)

00021

sions in this manner for the cases assigned.
2. Students will realize that given the same set of facts different groups may arrive at different decisions because of the use of a different rationale and interpretation of the facts. Thus, students will realize that law is a social science with unpredictable outcomes because of the human elements involved.
3. Students will indicate their ability to analyze case problems and apply points of law they have learned by rendering decisions on each of the case problems assigned.

Activity 3: Students will complete a summary and review worksheet of multiple choice and completion questions for Unit 1, Parts A-C, workbook pages 7-8.

Behavioral Objectives:
Students will review the assigned reading from Unit 1 and, using their textbooks correctly answer all items on the assigned worksheet.

D. Landlord-Tenant Responsibilities

Activity 1: Students will read Part 11-C, pp. 514-524, in textbook and complete duplicated vocabulary worksheet, Part 11C. (See Appendix 5, pp. 30-31.)

Behavioral Objectives:
1. Students will be able to list orally and/or in writing the parties to a lease and the different kinds of leases available.
2. Students will be able to list and define the duties and rights of a tenant.
3. Students will be able to list and define the duties and rights of a landlord.
4. Students will be able to state conditions under which a lease may be terminated by either a tenant or landlord.
5. Students will be able to match correctly all legal terms with their definitions on the assigned vocabulary worksheet.

Activity 2: Students will be divided into small groups to study Case Problems 1-5, p. 524, of the textbook. Each group will appoint a group leader who will report the decisions of the group on each problem and the rationale of the group for its decisions.

Behavioral Objectives:
1. Students will indicate their ability to organize as small groups to discuss and reach a decision on specific problems relating to landlord-tenant relationships.
2. Students will indicate their ability to analyze case problems on tenant-landlord relationships and apply points of law gleaned from reading the assigned portion of the textbook by rendering group decisions on each of the five case problems assigned.

Activity 3: Students will complete a worksheet of matching and yes-no questions for Part 11-C of the textbook, workbook pages 127-128.

Behavioral Objectives:
Students will review the assigned reading from Part 11-C and, using their textbooks, correctly answer all items on the worksheet.

Activity 4: Students will complete a 20-point exercise which will require them to apply points of law to common experience problems. Common experience problems will be selected by the teacher from each of the four parts covered for this unit.

Behavioral Objectives:
Each student will indicate the ability to apply the correct point of law to a given situation by successfully completing at least fifteen of the twenty problems assigned.

EVALUATIVE ACTIVITIES:
A. Each student will complete a 20-point yes-no quiz covering Parts 1A-1C. (See Appendix 6, p. 32.)
B. Each student will complete a 20-point matching quiz covering legal vocabulary from the entire unit. (See Appendix 7, p. 33.)
C. Each student will complete in a maximum time of 45 minutes a 40-item, five-option multiple-choice exam in which he or she will be required to indicate knowledge of legal facts and terms covered in this unit and the ability to apply legal principles which have been presented and used throughout the unit to solve various problems. (See Appendix 8, pp. 34-36.)

Instructional Guide 4: Business and Consumer Contracts

GENERAL OBJECTIVE FOR THE UNIT:
Students will develop an awareness of the many legal documents and instruments commonly used in consumer and business contracts in our economy. They will examine the elements of contracts to develop better judgment regarding contractual obligations which will help them to avoid serious legal difficulties.

TIME ALLOCATION FOR THE UNIT:
Eight (8) days

REQUIRED STUDENT READING:
Chapter 22, pp. 423-445, from the textbook, *Consumer Economic Problems*. Unit 2 (Parts 2A-G), pp. 31-110, from the textbook, *Applied Business Law*.

SUPPLEMENTARY STUDENT READING:
Duplicated materials to be handed out in class at the discretion of the instructor.

INITIATORY ACTIVITIES:
1. Read Chapter 22, pp. 423-445 in the textbook, *Consumer Economic Problems*.
2. Complete the 45-item, yes-no, multiple-choice and matching study guide on Chapter 22 from the assigned workbook.

DEVELOPMENTAL STUDENT ACTIVITIES AND BEHAVIORAL OBJECTIVES:

A. Nature of Contracts

Activity 1: Teacher-directed discussion of Chapter 22, pp. 423-445, and the Study Guide for Chapter 22 which was completed as initiatory activity No. 2.

Behavioral Objectives:
1. Students will be able to explain orally and/or in writing the importance and prudence of seeking competent

000022

legal counsel before entering into important contracts.
2. Students will be able to match correctly all legal terms with their definitions on the assigned vocabulary worksheet. (See Appendix 9, pp. 37-39.)

Activity 2: Students will read Unit 2 (Part 2A), pp. 31-38, in the textbook, *Applied Business Law.*

Behavioral Objectives:
1. Students will be able to state orally and/or in writing the importance of contracts in their everyday consumer activities and the extent to which they are involved in contracts at present.
2. Students will be able to differentiate between agreements and contracts.
3. Students will be able to describe orally several different meanings of the term "property" and be able to define the term "legally."

Activity 3: Students will view the film "What is a Contract?"

Behavioral Objectives:
1. Students will be able to relate the ideas and concepts presented in the film to the class discussion of contracts which preceeded the viewing of the film.
2. Each student will be able to state orally and/or in writing that a contract must include all the elements in order to be enforceable in the courts.

B. Elements of Contracts

Activity 1: Students will read as assigned by the instructor, Unit 2 (Parts 2B-G), pp. 39-110, in the textbook, *Applied Business Law.*

Behavioral Objectives:
1. Students will be able to identify and define orally and/or in writing the five basic elements of a contract.
2. Students will be able to match correctly all legal terms with their definitions for each part on the assigned vocabulary worksheet.
3. Students will be able to describe in writing the rights and responsibilities and the requirements for entering into a contract while still a minor.
4. Students will be able to describe orally the proper techniques of offering, accepting and fulfilling contracts.
5. Students will be able to identify and give examples of fraud, duress and undue influence which render contracts defective.
6. Students will be able to define under what circumstances a contract is illegal or can be made illegal.
7. Students will be able to identify what constitutes the concept of consideration.
8. Students will be aware that contracts may exist in several different forms and still be legal and enforceable by law.

C. Uniform Commercial Code

Activity 1: Students will be given information by the instructor from the *Uniform Commercial Code Teaching Guide.*

Behavioral Objectives:

Students will be able to identify some of the areas in which attempts have been made to make laws and policies regarding sales contracts somewhat uniform among the 50 states.

Activity 2: Students will be divided into small groups to study case problems and law applied to common experience problems. Each group will appoint a group leader who will report the decision of the group on each problem and the rationale of the group for its decision.

Behavioral Objectives:
1. Students will indicate their ability to organize as small groups to solve a particular problem by making decisions in this manner for the assigned cases.
2. Students will realize that given the same set of facts different groups may arrive at different decisions because of the use of different rationale and interpretation of the facts.
3. Students will indicate their ability to analyze case problems and apply points of law they have learned by rendering decisions on each of the problems assigned.

EVALUATIVE ACTIVITIES:

A. Each student will complete a 20-point matching vocabulary quiz covering Unit 2 (Parts A-G) of the Law text and Chapter 22 of the Consumer text. (See Appendix 10, p. 40.)

B. Students will complete in a maximum time of 35 minutes a 25-item, five-option multiple-choice exam in which they will be required to indicate their knowledge of legal facts and terms covered in this unit. (See Appendix 11, pp. 41-42.)

00023

SECTION II
Advanced Basic Business (Trimester Course Outlines)
RICHFIELD SENIOR HIGH SCHOOL*
Course 1

Advanced Basic Business—Introduction to Business

A. Objectives (what students are expected to accomplish in this course)

1. Knowledge or information to be learned by the student:
   a. The student will learn that an economic system is a necessity of every society to aid in solving the basic economic problem of allocating resources to satisfy the wants and needs of the members of the society.
   b. The student will develop a foundation on which to build an understanding of how the business sector of the American economy operates.
   c. The student will learn to identify and compare different types of businesses by activity and legal organization.
   d. The student will be made aware of the roles of labor, management and government in the collective bargaining process.
   e. The student will become acquainted with some of the general principles of business management.
   f. Students will learn business terms which will enable them better to understand news reports regarding activities of the business sector of the economy.
2. Understandings to be developed:
   a. The student will develop an appreciation for the complexity of our overall economic system and especially for the complex operations of the business sector of the economy.
   b. Students become more tolerant and positive toward business as they develop a better understanding of the operations of the business system.
   c. The student should recognize that all types of business activity—production, distribution and service—contribute to the success of our overall economic system.
   d. The student will develop an understanding of the complexity of the collective bargaining process and be aware of the human factors involved in the process.
   e. The student will realize the difficulties of reaching agreements in the group decision-making process while making managerial decisions.
3. Skills to be developed:
   a. The student will be able to categorize a business by type of activity and by legal organization.
   b. The student will be able to describe the role of the business sector in our American private enterprise economy.
   c. The student will gain experience through a small group competitive situation in making management decisions regarding production and distribution of a product while participating in a management simulation exercise.
   d. The student will be able to identify and describe the various methods used by labor and management in the collective bargaining process as well as the government activities designed to settle labor-management disagreements.
   e. The students will expand their vocabularies to enable them better to understand business reports of all kinds as they are exposed to them through all types of communication media.

B. Student Characteristics (type of student to be served by this course)

The only requirement for enrollment in this course is that the students be interested in examining the business sector of our economy to improve their understanding of the world of business—no course or skill prerequisites.

C. Description of the Course

Advanced Basic Business—Introduction to Business provides an opportunity for students to focus on an examination of the business sector of the American economy. Students will identify and compare different types of businesses by activity and legal organization and will become familiar with methods used by labor and management in reaching agreement during the collective bargaining process. Part of the course will provide students an opportunity to apply management principles while participating in a computer-based simulation exercise.

D. Units to Be Taught in the Course

1. The consumer, business and government sectors of the American economy
2. Organization of business in our economy
3. Labor, management and government in the collective bargaining process
4. Principles of management
5. Management simulation exercise

E. Textbooks

S. Joseph DeBrum, Peter G. Haines, Dean R. Malsbary and Ernest H. Crabbe, *General Business for Economic Understanding*, 10th ed. (Cincinnati: South-Western Publishing Co., 1971).

Ray G. Price, Vernon A. Musselman and J. Curtis Hall, *General Business for Everyday Living*, 4th Ed. (New York: Gregg Division/McGraw-Hill Book Company, 1972).

---

* As explained earlier (p. 6), in 1973-74 the Richfield school system introduced a series of trimester elective courses for students who were in their junior or senior years. The four trimester basic business courses are outlined in the Section II report of the advanced basic business program at Richfield.—*The Editors.*

00024

Roman F. Warmke, Eugene D. Wyllie, W. Harmon Wilson and Elvin S. Eyster, *Consumer Economic Problems*, 8th ed. (Cincinnati: South-Western Publishing Co., 1971).

Management Simulation Game. (Various versions of the Management Simulation Game are available on major computer systems.)

Adrian A. Paradis, *Labor in Action: The Story of the American Labor Movement* (New York: Julian Messner, 1972).

Course 2
Advanced Basic Business— Income Earning, Spending and Investing

A. Objectives (what students are expected to accomplish in this course)

1. Knowledge or information to be learned by the student:
   a. The student will have a knowledge of computing financial net worth.
   b. The students will learn ways to improve their spending for consumer goods and how the consumer is protected.
   c. The student will have knowledge of the services of financial institutions.
   d. The students will become acquainted with the various investment opportunities available in our economy.
2. Understandings to be developed:
   a. The student will understand the value of earning an income and of setting goals for its use.
   b. The student will understand the value of shopping for consumer goods.
   c. The student will understand the need for being selective in the use of financial institution services.
   d. The student will realize the difficulties of planning an investment program that provides the best return for the individual.
3. Skills to be developed:
   a. The student will be able to estimate income and set up various plans of money management and how to spend wisely.
   b. The student will be able to describe various services provided by financial institutions.
   c. The student will be able to read and understand the language of the investment world.

B. Student Characteristics (type of student to be served by this course)

Students enrolling in this course should have an interest in consumer problems and financial planning. There are no other course or skill prerequisites.

C. Description of the Course

Advanced Basic Business—Income Earning, Spending and Investing gives the student a chance to examine factors affecting personal economic activities in the area of earning, spending, saving and investing. One portion of the course will focus specifically on personal investing and the role of investment in the total economy.

D. Units to Be Taught in the Course

1. Budgeting and spending income
2. Consumer protection
3. Using services of financial institutions
4. Saving and investment programs

E. Textbooks

S. Joseph DeBrum, Peter G. Haines, Dean F. Malsbary and Ernest H. Crabbe, *General Business for Economic Understanding*, 10th ed. (Cincinnati: South-Western Publishing Co., 1971).

Ray G. Price, Vernon A. Musselman and J. Curtis Hall, *General Business for Everyday Living*, 4th Ed. (New York: Gregg Division/McGraw-Hill Book Company, 1972).

Roman F. Warmke, Eugene D. Wyllie, W. Harmon Wilson and Elvin S. Eyster, *Consumer Economic Problems*, 8th ed. (Cincinnati: South-Western Publishing Co., 1971).

Course 3
Advanced Basic Business—Personal Law and Credit

A. Objectives (what students are expected to accomplish in this course)

1. Knowledge or information to be learned by the student:
   a. The students will develop better judgment regarding the law and legal problems to enable them to avoid serious legal difficulties and recognize when they should seek the services of an attorney.
   b. The student will develop an awareness of the many legal documents and instruments commonly used in consumer transactions.
   c. The student will develop an understanding of the nature of borrowing and credit and how they can be used advantageously to help to solve economic problems one may encounter.
   d. The students will broaden their vocabulary to allow them better to understand the business world.
2. Understandings to be developed:
   a. The student will become more tolerant and understanding of the laws and legal procedures that are necessary in a highly complex society.
   b. The student will understand the various types of credit and the implications of each.

00025

c. The students will learn the various elements of contracts and agreements and understand their rights, duties and responsibilities as a party to these documents.
d. The students will develop a sense of responsibility in completing class assignments.

3. Skills to be developed:
a. The student will be able to recognize, and distinguish between the kinds of law and their enforcement.
b. The student will be able to describe our court system.
c. The student will be able to list and describe the various types of credit available and the advantages and disadvantages of each.
d. The student will be able to identify properly contracts and/or agreements and all the elements necessary to make them legal.
e. The students will develop skills in recognizing faulty contracts.

B. Student Characteristics

The only requirement for enrollment in this course is that the student have an interest in law and legal problems.

C. Description of the Course

Advanced Basic Business—Personal Law and Credit will familiarize students with various aspects of law relating to their citizen, consumer and business activities now and in the future. A portion of the course will focus specifically on the legal and economic aspects of borrowing and using credit to supplement income in our contemporary society.

D. Units to Be Taught in the Course

1. Law and legal problems
2. Borrowing and using credit
3. Business and consumer contracts

E. Textbooks

McKee Fisk, Norbert J. Mietus and James C. Snapp, *Applied Business Law*, 10th ed. (Cincinnati: South-Western Publishing Co., 1972).

Ray G. Price, Vernon A. Musselman and J. Curtis Hall, *General Business for Everyday Living*, 4th ed. (New York: Gregg Division/McGraw-Hill Book Company, 1972).

R. Robert Rosenberg and Joseph G. Bonnice, *Business Law130* (New York: Gregg Division/McGraw-Hill Book Company, 1971).

Justice in Urban America Series (Geneva, Illinois: Houghton Mifflin Company), Robert H. Ratcliffe, General Editor.

Richard Groll and Jack Zevin, *Law and the City* (1970).

Robert Berger and Joseph Teplin, *Law and the Consumer* (1969).

George Ranney, Jr., and Edmund Parker, *Landlord and Tenant* (1970).

M. Cherif Bassiouni *et al.*, *Crimes and Justice* (1969).

M. Cherif Bassiouni and Sister Thecla Shiel, *Youth and the Law* (1970).

Robert Bennett and Thomas Newman, *Poverty and Welfare* (1969).

Course 4
Advanced Basic Business—Insurance

A. Objectives (what students are expected to accomplish in this course)

1. Knowledge or information to be learned by the student:
a. The student will know the functions of insurance companies including the sharing of risks and establishment of premium rates.
b. The student will learn the different types of insurance protection available.
c. The student will develop an understanding of how best to use the different types of property and liability insurance as protection against potential economic losses.
d. The students will become aware of the various life and health insurance plans available to fit their own particular needs.
e. The student will learn the various benefits made available through our social security system and other related social insurance plans.

2. Understandings to be developed:
a. The student will develop an understanding of various insurance protection plans available.
b. The students will understand their own individual insurance needs.
c. The student will develop an interest and awareness of insurance by participating in class projects.

3. Skills to be developed:
a. The students will develop the ability to plan an insurance program to fit their individual insurance needs.
b. The student will develop the ability to analyze insurance contracts to ensure desired protection.
c. The student will be able to complete the process of evaluating, planning and selecting a sound insurance program to fit different individual needs.
d. The student will become familiar with insurance vocabulary and terms to aid in understanding insurance language.

B. Student Characteristics (type of student to be served by this course)

Students who enroll in this course should be interested in learning the underlying functions of insurance companies, interested in exploring their present and future insurance needs, and have a desire to participate in group analysis of various insurance coverages. In addition, the student should be willing to work on out-of-class insurance projects.

00026

C. Description of the Course

Advanced Basic Business—Insurance provides students the opportunity to explore the functions of insurance companies including the sharing of risks and establishing premium rates. Students will study the various insurance coverages, including no-fault automobile insurance, to gain knowledge of their own insurance needs. A study of local automobile insurance coverages is made to help students to maximize their protection and insurance dollar. Other types of insurance examined include motorcycle, auto risk, homeowners, life, health, and social insurance.

D. Units Which Will Be Taught in the Course

1. Property and liability insurance
2. Life and health insurance
3. Social insurance

E. Textbooks

S. Joseph DeBrum, Peter G. Haines, Dean R. Malsbary and Ernest H. Crabbe, *General Business for Economic Understanding*, 10th ed. (Cincinnati: South-Western Publishing Co., 1971).

Ray G. Price, Vernon A. Musselman and J. Curtis Hall, *General Business for Everyday Living*, 4th ed. (New York: Gregg Division/McGraw-Hill Book Company, 1972).

00027

Appendix 1

ECONOMICS UNIT I
Basic Economics
Unit Exam

Test No._____

Directions for Completing End-of-Unit Exams:

A. Please put your name, test number, period number and date on the answer sheet.
B. Read each of the questions carefully and select the *one best answer* for each.
C. Record your answers on the answer sheet provided by *circling* the letter which corresponds to your choice. PLEASE CIRCLE THE LETTER COMPLETELY.
D. If you are using ink and need to change an answer, put an "X" through the response you DON'T want. The response circled *without* an "X" WILL BE considered as your choice.
E. If more than one choice is marked without an "X," the item will be counted as wrong since we don't know which response is your choice.
F. PLEASE DO NOT WRITE ON THESE SHEETS. Use the back of your answer sheet for any figuring you may have to do.
G. TAKE YOUR TIME, READ EACH QUESTION CAREFULLY, T H I N K, GOOD LUCK!

1. The basic economic problem which must be solved by every society is
A. unlimited wants vs. limited resources.
B. limited wants vs. limited resources.
C. limited wants vs. unlimited resources
D. unlimited wants vs. unlimited resources.
E. none of these.

2. Our wants for food are considered to be
A. secondary wants.
B. nonessential wants.
C. essential wants.
D. luxuries.
E. none of these.

3. Which of the following factors of production provides protection and regulation for producers?
A. Capital
B. Labor
C. Land
D. Management
E. None of these

4. Which of the following is *not* characteristic of the Soviet economy?
A. Dedicated primarily to the goal of growth
B. Relies on a planning mechanism rather than a free market
C. Has made use of coercion or threat of punishment
D. Puts emphasis on consumer goods rather than producer goods
E. All of the above are characteristics of the Soviet economy

5. Which of the following is *not* a reason for changes in our wants?
A. Changes in styles or tastes
B. Introduction of new products
C. Moving to a different climate
D. Advertising
E. All are reasons for changes in our wants

6. The definition we have used for consumption and the one given in your textbook can be stated simply as
A. wants and needs.
B. wants becoming demands.
C. wants in place of demands.
D. wants for resources.
E. none of these.

7. When solving the basic economic problem, societies must somehow make decisions on all of the following *except*
A. what to produce.
B. how to produce.
C. how much to produce.
D. how production will be shared.
E. all of these decisions must be made.

8. Which of the following is not used to help societies solve their economic problem?
A. Natural resources
B. Human resources
C. Medium of exchange
D. Man-made means of production
E. All of these are used

9. The primary function of a manufacturer is to increase the value of goods through
A. value utility.
B. form utility.
C. place utility.
D. possession utility.
E. time utility

10. The *economic goals* of which of the following countries are similar to those of the United States?
A. Great Britain
B. Soviet Union
C. Cuba
D. Communist China
E. All of these are similar

11. Which of the following would *not* normally be considered as a capital or producer good?
A. Raw materials
B. Buildings
C. Machinery
D. Furniture
E. Equipment

00028

12. Producer goods are
A. consumed directly by people.
B. of little or no monetary value.
C. of little concern in the Soviet economy.
D. used by manufacturers while changing raw materials to goods.
E. All of the above are true of producer goods.

13. The definition of *economics* we have attempted to develop in this class and the one given in your textbook is similar to which of the following?
A. A study of how man earns and spends his income
B. A study of how man uses his mental and physical efforts
C. A study of how man satisfies his wants and needs for material goods and services through his mental and physical efforts
D. A study of how man develops wants and needs for material goods and services
E. A study of how the American private enterprise system provides material goods and services to satisfy the wants of the American people

14. Which of the following could most likely be used as *both* a consumer good and as a producer (capital) good?
A. Computer
B. Carload of iron ore
C. Carton of cigarettes
D. Tractor
E. Typewriter

15. Which of the following best defines the term production?
A. All manufacturing and distributing of goods and services
B. All activity in which people engage to change the form of raw materials
C. All activity in which people engage to satisfy human wants
D. All activity in which people engage to develop usable services
E. All activity which is directly controlled by the government

16. The term entrepreneur is sometimes used to describe which of the factors of production we have discussed?
A. Land
B. Capital
C. Management
D. Labor
E. All of them

17. Which of the following illustrates how our government interferes to distribute more evenly the shares of production in our country?
A. Placing high rates of taxation on those with high incomes and low rates on those with low incomes
B. Placing high rates of taxation on nonessential items such as cigarettes and alcoholic beverages
C. Establishing minimum wage rates for certain jobs in our economy
D. A and C above
E. B and C above

18. It is estimated that _____ out of each dollar spent for food products is their marketing cost.
A. 80 cents
B. 60 cents
C. 40 cents
D. 20 cents
E. 5 cents

19. A market trading only in large lots and accommodating all producers and manufacturers in a particular industry is referred to as
A. auction market.
B. commission market.
C. retail market.
D. wholesale market.
E. none of these.

20. According to your textbook and the latest employment data we have available, approximately _____ gainfully employed persons in the United States is engaged directly in wholesaling or retailing activities.
A. one in three
B. one in six
C. one in ten
D. one in fifteen
E. none of these ratios is correct

21. Which of the following producers uses the largest percentage of direct marketing to distribute its products to consumers?
A. General Motors
B. Fuller Brush Company
C. General Electric
D. Proctor & Gamble
E. Pepsicola

22. Grocery stores, service stations, meat markets and clothing stores are representative of what type of market?
A. Auction markets
B. Commission markets
C. Retail markets
D. Wholesale markets
E. Exchange markets

23. Which of the following is *not* an example of an economic good or service?
A. Education
B. Air
C. City water
D. City park
E. Newspaper

24. Economic goods and services
A. consist of the materials and services needed to satisfy wants and needs.
B. can be evaluated in terms of money.
C. may be provided by various levels of government.
D. are scarce.
E. consist of all of these.

25. To fulfill the wants and needs of people is the economic goal of
A. government-controlled societies.
B. free societies.
C. communist societies.
D. mixed societies.
E. all societies.

26. The major economic problem arises from
A. overabundance of goods and services.
B. scarcity of goods and services.
C. nonessential wants being greater than essential wants.
D. the shortage of money to buy goods and services.
E. all of these.

27. Which of the following is not considered to be an incentive or reason for free people to work?
A. The possibility of being punished if one doesn't
B. The possibility of satisfaction from accomplishing something

00029

C. The possibility of earning an income
D. The possibility of helping humankind
E. All of these are used as incentives to work in our society

28. Scarcity of economic goods may be created
A. because of failure to use resources properly.
B. by restrictions or limitations on production by business.
C. by restrictions or limitations on production by labor.
D. by regulation of production by government.
E. by all of these.

29. The purchase of which of the following economic goods would *not* create additional wants and needs for the purchaser?
A. Automobile
B. Home
C. Set of golf clubs
D. Ice cream cone
E. Typewriter

30. Which of the factors of production includes all natural resources?
A. Capital
B. Government
C. Labor
D. Land
E. Management

31. Which of the factors of production receives payment for taking the risk involved in producing goods and services in our society?
A. Capital
B. Government
C. Labor
D. Land
E. Management

32. The key to solving the basic economic problem of scarcity is
A. efficient production.
B. mass distribution.
C. decreasing unemployment.
D. increasing government regulation.
E. all of these.

33. Which of the following is *not* considered to be one of the five national economic goals?
A. Freedom
B. Growth
C. Peace
D. Justice
E. All of these are national economic goals

34. Members of the Democratic party would generally arrange the national economic goals in the following order of priority:
A. (1) Stability (2) Freedom (3) Growth.
B. (1) Growth (2) Security (3) Justice.
C. (1) Security (2) Growth (3) Freedom.
D. (1) Freedom (2) Stability (3) Security.
E. (1) Peace (2) Justice (3) Security.

35. Which of the following nations has the highest per capita ownership of automobiles?
A. India
B. United States
C. Australia
D. Canada
E. Japan

36. Which of the following is *not* considered to be a function of marketing or distribution?
A. Transportation
B. Selling
C. Financing
D. Manufacturing
E. Storing

37. Which of the following would be considered as labor in the broadest economic definition of the term?
A. Physical effort used in production
B. Mental effort used in production
C. Technical skills used in production
D. A and B
E. A, B and C

38. A country attempting to curb inflation in its economy would probably put major emphasis on which one of the following national goals?
A. Stability
B. Freedom
C. Peace
D. Security
E. Justice

39. In India and similar developing nations the production of economic goods would be based on and rely primarily on which of the following?
A. Skilled labor
B. Automation
C. Unskilled labor
D. Capital goods
E. Technical knowledge

40. In the production of goods and services management's responsibilities include all of the following *except*
A. ideas for improving processes of production.
B. determining the mix of the factors of production.
C. planning the specific operations of production.
D. establishing policies governing production.
E. all of these are responsibilities of management.

Appendix 2

BASIC BUSINESS
Economic Attitude Inventory

Name _____

This activity is designed to solicit your opinion on various statements regarding the operation of our American economic system. Will you please read through the following 40 statements carefully and indicate with a mark of "X" in the proper column at the left whether you "Agree" or "Disagree" with the statements as they stand or whether you are "Undecided." Be completely honest—THIS IS NOT A TEST—we are trying only to get your opinions. The easy way, of course, would be to check the "Undecided" column for most of the statements. Try, however, to avoid doing this unless you are truly undecided—record a negative or positive attitude or opinion if at all possible.

When everyone has finished, we will check through the attitude inventory. You will be given opinions expressed by five nationally recognized economic experts on each of the statements. You can check to see how your opinions compare with theirs. This is not to say that the economists' opinions are correct. There is no right or wrong answer on this sort of attitude inventory.

At the end of this unit we will let you record your attitudes or opinions on these statements again to see if your opinions have changed. This is one way in which we can measure or evaluate whether your work and acquisitions of (hopefully) new knowledge during this unit has changed your economic attitudes.

TAKE YOUR TIME—READ EACH STATEMENT CAREFULLY—INDICATE YOUR OPINION FOR EACH AND EVERY STATEMENT—BE HONEST—THERE ARE NO RIGHT AND WRONG ANSWERS.

Agree	Undecided	Disagree

1. Inequality in the distribution of wealth and income tends to result in depression and unemployment.
2. Large industrial units do more harm to society than they do good.
3. Consumers generally buy the things for which they have the most need.
4. Federal control over our economic system should be kept to a minimum.
5. Free competition operates to the best interest of the consumer.
6. A planned economy tends to stifle the economic growth of a nation.
7. The prosperity of our nation is dependent on the rapid extension of scientific knowledge.
8. Except in periods of grave emergency, such as war or serious national disaster, the nation should pay its way as it goes.
9. The replacement of workers by machines will result, in the long run, in large-scale unemployment.
10. Goods which are higher in price are better in quality—"you get what you pay for."
11. Our economic system should function to satisfy the wants and needs of the people of our society.
12. Wise choices by consumers tend to raise the general, social and economic level of society.
13. Government control is needed to keep prices fair.
14. American democracy will not last unless we avoid the evils of mass unemployment.
15. Free competition will use our natural resources to the best advantage.
16. Big business controls the economy of the whole country.
17. Most natural resources should be owned and controlled by the government.
18. The U.S. should not have to depend on other countries for products which we now import.
19. All businesses should be strictly regulated by the government in our country.
20. By borrowing, our federal government placed upon future generations the real burden of paying for World War II.
21. Generally, competition between producers will result in lower prices.
22. The nation should maintain a balanced budget at all times.
23. Other countries could be as well off economically as the U.S. if they really wanted to be.

00031

Economic Attitude Inventory

Agree	Unde-cided	Disagree

24. High levels of national income would be more effective in raising living standards generally than would a more equal distribution of income.
25. The growth of a nation's economy is largely dependent on the development of new products.
26. Automation will put a lot of people out of jobs.
27. A planned economy tends to result in a higher standard of living.
28. The progress of our nation depends upon the strength of our free economy.
29. The economy of the U.S. should be completely self-sufficient in regard to goods and services.
30. The national government should regulate and control all mass production industries.
31. The power of taxation should not be used to regulate the nation's economy.
32. People in the United States could get along completely by themselves if they wanted to.
33. Domestic industries which cannot compete with foreign industries should be protected by tariffs.
34. The consumption of economic goods should be regulated by law.
35. The function of government should be both political and economic.
36. Producers will stop producing when production costs are equal to the price which they can get.
37. Economic competition is stifled by the reduction of the number of economic units competing with one another.
38. The federal government should exercise wage and price controls in our economic system.
39. Large industries can exercise complete control over the price of their products.
40. Supply and demand determine the price of a product in our economic system.

00032

Appendix 3

ECONOMICS UNIT II
Our American Economic System
Unit Exam

Test No._____

Directions for Completing End-of-Unit Exams:

A. Please put your name, test number, period number and date on the answer sheet.
B. Read each of the questions carefully and select the *one best answer* for each.
C. Record your answers on the answer sheet provided by *circling* the letter which corresponds to your choice. PLEASE CIRCLE THE LETTER COMPLETELY.
D. If you are using ink and need to change an answer, put an "X" through the response you DON'T want. The response circled *without* an "X" will be considered as your final choice.
E. If more than one choice is marked without an "X," the item will be counted as wrong since we don't know which response is your choice.
F. PLEASE DO NOT WRITE ON THESE SHEETS. Use the back of your answer sheet for any figuring you may have to do.
G. TAKE YOUR TIME, READ EACH QUESTION CAREFULLY, T H I N K, GOOD LUCK!

1. At a *high price* which of the following statements is characteristic of supply and demand?
   A. Lesser supply and lesser demand
   B. Greater supply and lesser demand
   C. Lesser supply and greater demand
   D. Greater supply and greater demand
   E. None of these

2. At a *low price* which of the following statements is characteristic of supply and demand?
   A. Lesser supply and lesser demand
   B. Greater supply and lesser demand
   C. Lesser supply and greater demand
   D. Greater supply and greater demand
   E. None of these

3. Which of the following is *not* a characteristic of our free-enterprise system?
   A. Freedom of choice in the market place
   B. Profit incentive
   C. Centralized distribution of products
   D. Private ownership
   E. Competition

4. Economic stability and prosperity are characterized by
   A. slowly decreasing national income.
   B. general price levels changing slowly (stable prices).
   C. approximately 10 percent unemployment in the labor force.
   D. the answers provided in A and B.
   E. the answers provided in B and C.

5. When supply is great and demand is low, we have
   A. a buyer's market.
   B. a seller's market.
   C. an increase in prices.
   D. A and C
   E. B and C

6. Which of the following products is most likely to be an illustration of a product having *inelastic* demand?
   A. Automobile
   B. Perfume
   C. Bread
   D. Cigarette lighter
   E. All of these

7. Which of the following will tend to cause prices in our economy to increase?
   A. Deflation of the value of the dollar
   B. Decrease in the supply
   C. Increased demand
   D. B and C only
   E. A, B and C

8. The plan the government devises to promote economic growth and maintain a stable economy through control of the supply of money and bank credit is known as its
   A. public finance policy.
   B. fiscal policy.
   C. monetary policy.
   D. surplus policy.
   E. deficit policy.

9. In economic terms, the quantity of goods offered for sale at a given time and price is known as
   A. surplus.
   B. demand.
   C. parity.
   D. supply.
   E. index.

10. The central government agency which is responsible for analyzing and interpreting business conditions in

00033

order to guide Congress and the President is known as the
A. Department of Commerce.
B. Council of Economic Advisors.
C. Federal Reserve Board.
D. Council of Business Analysts.
E. all of these.

11. Which of the following will tend to cause prices to *decrease*?
A. Increase in the amount of money available for purchasing
B. Increase in the supply offered for sale
C. Increase in taxes on materials used for production
D. Decrease in taxes collected from individuals and families by the federal government
E. A, B and C

12. The relationship between price increases and wage increases is referred to as
A. Gross National Relationship.
B. Aggregate Production.
C. National Relationship.
D. Aggregate Relationship.
E. none of these.

13. Productivity is a measure of
A. how much is produced by a firm in one year.
B. how much is produced by the nation in one year.
C. the rate at which a good or service is produced.
D. the standard of living in the U.S.
E. the level of unemployment.

14. The period with which current prices or current production is compared when using index numbers is called
A. parity period.
B. price ceiling.
C. index period.
D. base period.
E. none of these.

15. Which of the following is *not* used an an indicator to determine business conditions?
A. National Income
B. Employment status and wage level
C. Consumer prices
D. Consumer credit outstanding
E. All of these are used

16. The Gross National Product (GNP) for the United States for the year 1968* was approximately
A. $850 million
B. $850 billion.
C. $600 million.
D. $600 billion.
E. $300 billion.

17. If *economic growth* is to take place in the United States or any country
A. there must be a decrease in per capita income.
B. the rate of increase in growth of gross national product per year must be greater than the increase in population.
C. the rate of increase in gross national product must equal the increase in population.
D. the rate of increase in population must be greater than the increase in GNP.
E. none of these situations would indicate economic growth.

18. Which of the following is *not* a reason for the American worker being the most productive worker in the world?
A. Americans are born with more natural ability than other people
B. Americans are making efficient use of modern technology
C. Americans have developed efficient managerial ability
D. American education and training programs are superior to those of most other nations
E. All the above are reasons for our superiority in production

19. Disposable personal income is used for all the following *except*
A. purchase of durable goods.
B. purchase of nondurable goods.
C. purchase of services.
D. savings.
E. taxes.

20. Which of the components of GNP of the United States accounts for the *smallest* percentage of total GNP?
A. Individual consumers
B. Business investors
C. Government expenses
D. Foreign purchasers
E. All account for equal percentages of GNP

21. Which of the components of GNP of the United States accounts for the *largest* percentage of total GNP
A. Individual consumers
B. Business investors
C. Government expenses
D. Foreign purchasers
E. All account for equal percentages of GNP

22. National income includes all the following *except*
A. wages and salaries.
B. dividends from corporations.
C. transfer payments.
D. interest from savings accounts.
E. rental income.

23. The *largest* percentage of national income is accounted for by
A. wages and salaries.
B. profits.
C. interest.
D. rent.
E. taxes.

24. Which of the following *is included* in national income?
A. Welfare payments
B. Pensions
C. Taxes
D. $5 allowance for being a "good" boy or girl
E. All of these would be included when calculating national income

* Teachers may use a different (later) year with the appropriately different figures.

00034

25. If we are to make gains in our level of living in the U.S.
A. production must increase faster than wages.
B. wages must increase faster than production.
C. production must match wages.
D. production must decrease faster than wages.
E. production and wages have no influence on level of living.

26. The result of inflation is
A. higher prices and decreased purchasing power of money.
B. lower prices and decreased purchasing power of money.
C. higher prices and increased purchasing power of money.
D. lower prices and increased purchasing power of money.
E. inflation does not affect the purchasing power of money.

27. The chief measure that consumers can take to halt inflation is to
A. decrease personal savings.
B. increase personal spending.
C. decrease personal spending.
D. demand more wages for their services.
E. none of these would help halt inflation.

28. Which of the following is *not* characteristic of inflation?
A. Prices increase to unreasonable heights
B. Prices increase at a very rapid rate
C. Purchasing power of the dollar increases considerably
D. Demand for goods and services is greater than the supply
E. All of these are characteristics of inflation

29. If the price index number for a particular product was 140 in 1969 you would know that
A. the product costs $1.40.
B. the price is 140% higher than it was in the base period.
C. the price is 40% higher than it was in the base period.
D. the product costs $140.
E. the product costs $14.

30. The largest percentage of government expenditures is for
A. fixed interest charges.
B. foreign aid.
C. social security payments.
D. national defense.
E. agricultural subsidies.

31. The amount of money that the federal government has borrowed from individuals, business firms and others is commonly known as
A. the budget surplus.
B. the budget deficit.
C. the national debt.
D. the fiscal policy.
E. the monetary policy.

32. In recent years the amount of increase in GNP for the United States has been
A. relatively low.
B. moderately low.
C. about average.
D. relatively high.
E. substantially low.

33. In the federal budget, if the total estimated expenditures exceed the estimated receipts, the government is said to have a
A. surplus.
B. excess.
C. deficit.
D. A and B.
E. None of these.

34. The circular flow analysis of our economic activities in this country indicates that two major sectors of our economy are
A. government and financial institutions.
B. government and business.
C. business and financial institutions.
D. business and consumer.
E. consumer and government.

35. According to the circular flow analysis, consumers
A. exchange their productive resources for money with the business sector.
B. lose some of their income to government through taxes.
C. channel the income they don't spend into financial institutions.
D. B and C.
E. A, B and C.

36. As the demand for a product increases, the price of the product will most likely
A. increase.
B. remain stable.
C. decrease.
D. B or C.
E. none of these

37. Government subsidies are most frequently paid in which of the following industries?
A. Post Office
B. Agriculture
C. Automobile
D. Utilities
E. All of these receive much of their income from government subsidies

38. An example of a government-controlled monopoly in our area* would be
A. Summit State Bank.
B. Northern State Power Company.
C. Southdale's Medical Building.
D. Hub Shopping Center.
E. All of these.

39. Which of the following products would be the best illustration of a product with an *elastic* demand?
A. Automobile
B. Cigarettes
C. Bread
D. Salt
E. Oil

40. Which of the following is the best illustration of an industry characterized as an *oligopoly*?
A. Hair oil producers
B. Steel producers
C. Laundry detergent producers
D. Toothpaste producers
E. None of these

* Teachers may substitute well-known firms in their own areas.

EC 00035

BUSINESS LAW
Pretest

The following twenty questions are designed as a pretest to let you discover how much you do not know about everyday law problems. Please circle yes or no for each question.

YES NO 1. Are small children affected by the law?
YES NO 2. Do some customs have the force of law?
YES NO 3. Does a crime consist only of an act that injures an individual?
YES NO 4. Is speeding a car a misdemeanor?
YES NO 5. May a decision by the jury require unanimous agreement of the jurors?
YES NO 6. Does law consist of the rules of conduct that can be enforced by court action?
YES NO 7. Do high school students enter into contracts?
YES NO 8. Do all contracts by law have to be made in writing?
YES NO 9. Is it illegal for a minor to agree not to marry while still a minor?
YES NO 10. Is a promise to give someone a gift enforceable?
YES NO 11. If Grey owes $100 and dies before paying it, is the debt discharged?
YES NO 12. May a hotel be liable for loss of a guest's property caused by fault of the guest?
YES NO 13. Is a sale the most common contract that most people enter into?
YES NO 14. May tainted meat and dirty milk be sold legally at greatly reduced prices?
YES NO 15. Is a bill of sale required in all sales?
YES NO 16. Is a physician an employee of his patient?
YES NO 17. Does every worker receive protection under the Social Security law?
YES NO 18. Do all states have minimum-wage laws for women?
YES NO 19. Is a gambling or wagering risk insurable?
YES NO 20. Does a flashing red signal require a vehicle to come to a complete stop?

00036

BASIC BUSINESS
Personal Law and Economics: Unit I
Law and Legal Problems

Name _____

Period _____

VOCABULARY WORKSHEET—Parts 1A, 1B, 1C and 11C

Using the list of legal terms given at the end of each part of the assigned textbook reading for this unit, choose the term which best matches each of the definitions given below and write or print the term in the blank which precedes the definition. Note that the definitions are divided into sections for you; use the terms at the end of each part for the definitions from that part only.

PART 1A—Terms on Page 11:

_____ 1. Like cases are to be treated in like manner.
_____ 2. Rules of conduct that can be enforced by court action.
_____ 3. The customs and the usages of the people that have the force of law.
_____ 4. The printed collection of case decisions.
_____ 5. Rules and regulations of government agencies having the force of law.
_____ 6. A body of basic principles stating the powers and limitations of government.
_____ 7. Enactments of Congress and state legislatures.
_____ 8. Enactments of local governmental bodies.
_____ 9. A legal system that protects a person when there is no adequate remedy at law.
_____ 10. The rules that apply to business situations and transactions.

PART 1B—Terms on Page 19:

_____ 1. The decision of a jury with respect to the facts in a trial.
_____ 2. A series of statements seeking to support a cause of action or to defeat it.
_____ 3. Oral statements of witnesses.
_____ 4. A tribunal established to decide controversies and to punish wrongs.
_____ 5. A person who has knowledge of the facts.
_____ 6. The power of a court to hear controversies.
_____ 7. A petition to a court setting forth the cause of action.
_____ 8. A written order commanding a person to appear in court and give testimony.
_____ 9. The one who brings a legal action against another.
_____ 10. A proceeding brought by one party against another.

PART 1C—Terms on page 28:

_____ 1. Failure to do something required by law that causes injury to another.
_____ 2. Failure to perform one's obligations under a legal agreement.
_____ 3. Failure to obey a law for which punishment is provided.
_____ 4. Interfering with the right of a person to be free from malicious gossip.
_____ 5. Interfering with the right of a person to be free from unlawful physical treatment.

00037

_____ 6. Interfering with the right of a person to possess property without interference by others.

_____ 7. A crime of a serious nature punishable by death or imprisonment in a state prison.

_____ 8. Defamation by the spoken word.

_____ 9. Interfering with the right of a person to own, possess and use personal property free from interference by others.

_____ 10. A crime of a minor nature.

PART 11C—Terms on page 522:

_____ 1. A contract that establishes the relation of landlord and tenant.

_____ 2. The one who owns the property.

_____ 3. The one who is given possession of the property.

_____ 4. The consideration given by the tenant.

_____ 5. A lease that may be terminated at any time by one or both of the parties.

_____ 6. A lease that exists for a definite period of time.

_____ 7. A periodic tenancy where the rent is paid by the month.

_____ 8. A periodic tenancy where the rent is paid by the year.

_____ 9. The tenant transfers his or her entire interest in the lease to a third person.

_____ 10. The tenant leases a part of the property for a part of the period.

00038

BASIC BUSINESS
Quiz
(Parts 1A-1C—Law Book)

Name: _____

Read each statement below carefully and determine whether the answer is YES or NO. Indicate your choice for each statement by circling the "Y" or the "N" at the left of each statement. Read each statement carefully; take your time. Please bring the quizzes up to the desk when you finish—do your own work.

Y N 1. Are courts an essential part of the law?
Y N 2. Is punishment of people for wrongdoing one purpose of the courts?
Y N 3. Are all moral duties also legal duties?
Y N 4. Are court decisions based on customs just as binding on people as statutes?
Y N 5. Is the purpose of the Uniform Commercial Code to reduce confusion resulting from differences in the state laws?
Y N 6. Are the actions of an administrative agency final without the right of appeal to the courts?
Y N 7. Does common law find its authority in the customs of the people?
Y N 8. Is the rule of precedent a body of formal written law?
Y N 9. Do administrative laws establish agencies to carry out governmental functions?
Y N 10. Does a court have control over matters that are outside of its jurisdiction?
Y N 11. May the jurisdiction of a court be limited to controversies of a particular kind?
Y N 12. Does one always have a right to a jury in a trial?
Y N 13. May testimony consist of written documents, objects or pictures?
Y N 14. May a decision by the jury require unanimous agreement of the jurors?
Y N 15. Is the right of appeal limited to the party who loses the case?
Y N 16. Is a judgment holder always able to collect the judgment?
Y N 17. May an act be both a crime and a tort?
Y N 18. To commit a tort, must a person deliberately do a harmful act?
Y N 19. May words without a display of force constitute an assault?
Y N 20. Is trespass limited to entering land without permission?

BASIC BUSINESS
Personal Law and Economics: Unit I
20-Point Matching Quiz

Name: _____

Period: _____

Read the statements or definitions given below (1-20). From the list of terms (A-X) decide which term best completes the statement or matches the definition given and indicate in the blank at the left the letter corresponding to your choice. Not all terms will be used—each term should be used only once. PLEASE PRINT YOUR CHOICES CLEARLY IN THE BLANKS. TAKE YOUR TIME—READ CAREFULLY.

A. Administrative law
B. Assignment of lease
C. Breach of contract
D. Common law
E. Complaint
F. Crime
G. Defendant
H. Felony
I. Jurisdiction
J. Law
K. Lease
L. Misdemeanor
M. Ordinances
N. Plaintiff
O. Rent
P. Rule of precedent
Q. Statutes
R. Subletting
S. Subpoena
T. Tenancy at will
U. Tenancy for years
V. Testimony
W. Tort
X. Verdict

_____ 1. Rules of conduct that can be enforced by court action.

_____ 2. The customs and the usages of the people that have the force of law.

_____ 3. Rules and regulations of government agencies having the force of law.

_____ 4. Enactments of Congress and state legislatures.

_____ 5. Enactments of local governmental bodies.

_____ 6. The decision of a jury with respect to the facts in a trial.

_____ 7. Oral statements of witnesses.

_____ 8. The power of a court to hear controversies.

_____ 9. A written order commanding a person to appear in court and give testimony.

_____ 10. The one who brings a legal action against another.

_____ 11. Failure to do something required by law that causes injury to another.

_____ 12. Failure to perform one's obligation under a legal agreement.

_____ 13. Failure to obey a law for which punishment is provided.

_____ 14. A crime of a serious nature punishable by death or imprisonment in a state prison.

_____ 15. A crime of a minor nature.

_____ 16. A contract that establishes the relation of landlord and tenant.

_____ 17. The consideration given by the tenant to the landlord.

_____ 18. A lease that may be terminated at any time by one or both of the parties.

_____ 19. A lease that exists for a definite period of time.

_____ 20. The tenant leases a part of the property or all of the property to another party for a part of the period of time covered by the lease.

00040

Appendix 8

BASIC BUSINESS
Personal Law and Economics: Unit I
Exam

Test Number _____

Read each question carefully and decide on the *one best answer*. Circle or darken the letter on the answer sheet which corresponds to your choice. If you need to change a response "X" out the response you *don't* want. TAKE YOUR TIME—THERE ARE ONLY 40 QUESTIONS TO THIS EXAM. Take as long as you need. Bring your papers to the front of the room when you have finished and *please* keep quiet so everyone has an opportunity to think while they are finishing the exam! GOOD LUCK!

1. Laws passed by the United States Congress are known as
   A. constitutional laws.
   B. administrative laws.
   C. common laws.
   D. statutes.
   E. torts.

2. A crime punishable by a fine only is a (an)
   A. felony.
   B. breach of contract.
   C. tort.
   D. misdemeanor.
   E. injunction.

3. A judgment in a trial is rendered by the
   A. jury.
   B. judge.
   C. bailiff.
   D. attorneys.
   E. defendant.

4. A verdict in a trial is arrived at by the
   A. jury.
   B. judge
   C. bailiff.
   D. attorneys.
   E. plaintiff

5. If an individual was caught speeding and issued a ticket, which of the following would classify his legal wrong?
   A. Breach of contract
   B. Felony
   C. Misdemeanor
   D. Tort
   E. No legal wrong involved

6. If an individual was convicted of perjury at a trial defending one of his "buddies," which of the following would classify his legal wrong?
   A. Breach of contract
   B. Felony
   C. Misdemeanor
   D. Tort
   E. No legal wrong involved

7. The Geneva Convention, a set of laws governing the care and handling of prisoners of war, would be an example of
   A. natural law.
   B. moral law.
   C. Roman or civil law.
   D. common law.
   E. international law.

8. When we assume that an individual is truthful or honest in his dealings with us, we assume that he is acting under the unwritten and unenforceable
   A. natural law.
   B. moral law.
   C. Roman or civil law.
   D. common law.
   E. international law.

9. When reference is made to the *law or rule of precedence*, reference is being made to which body of law?
   A. Natural law
   B. Moral law
   C. International law
   D. Common law
   E. Roman or civil law

10. The major purpose of the Uniform Commercial Code is to
    A. standardize (make more uniform) the local, state and federal laws.
    B. standardize (make more uniform) local and state laws.
    C. standardize (make more uniform) state laws—among the various states.
    D. standardize (make more uniform) all federal laws.
    E. none of these.

11. The institutions used in our society to enforce the laws of society, to determine rights of parties where conflict arises and to provide remedies for enforcement of rights are known as
    A. courts
    B. constitutions.
    C. Congress.
    D. legislatures.
    E. Federal Bureau of Investigation.

12. The highest court of appeal in our state court system * is called
    A. Minnesota Court of Appeals.
    B. Minnesota Appelate Court.

* Teachers may substitute courts in their own states.

00041

C. Minnesota Supreme Court.
D. Minnesota Court of Statutes.
E. Minnesota Administrative Court.

13. Which of the following would be considered a local court—a court with jurisdiction covering only a small territory?
A. County Court
B. Justice of the Peace Court
C. Superior Court
D. Circuit Court
E. Court of Common Pleas

14. The Supreme Court of the United States is composed of _____ members.
A. three
B. five
C. seven
D. nine
E. eleven

15. Most cases involving violation of federal statutes would first be heard in
A. U.S. Supreme Court.
B. U.S. Court of Appeals.
C. State Supreme Court.
D. State Superior Court.
E. U.S. District Court.

16. The individual *against whom action is being brought* in a court case is known as the
A. plaintiff.
B. complainant.
C. attorney.
D. defendant.
E. appellate.

17. The decision of the jury in a court case in known as the
A. verdict.
B. judgment.
C. jurisdiction.
D. subpoena.
E. summons.

18. The written accusation of a grand jury indicating that these jurors feel a specific individual may be reasonably suspected of having committed a crime is known as a (an)
A. verdict.
B. judgment.
C. indictment.
D. execution.
E. pleadment.

19. Justices of the United States Supreme Court are
A. appointed by the President of the U.S.
B. appointed by the President of the U.S. and confirmed by the Senate.
C. appointed by the President of the U.S. and confirmed by the House of Representatives.
D. appointed by the Senate.
E. appointed by the House of Representatives.

20. The written order issued by a court ordering a person to appear in the court as a witness in a trial is called a
A. summons.
B. subpoena.
C. complaint.
D judgment.
E. pleading.

21. If an individual fails to perform a duty he or she agrees to in a contract, he or she is considered to have committed a
A. tort.
B. felony.
C. misdemeanor.
D. breach of contract.
E. crime.

22. Which of the following is *not* a tort?
A. Conversion
B. Slander
C. Speeding
D. Trespass
E. All of these are torts

23. Which of the following would *not* be classified as a felony?
A. Murder
B. Robbery
C. A crime for which punishment is death
D. Crime for which punishment is city jail
E. All of these are felonies

24. An order issued by a judge *preventing* a person or persons from performing a certain act or acts is knows as a (an)
A. injunction.
B. indictment.
C. execution.
D. tort.
E. felony.

25. *Libel* is a form of
A. nuisance.
B. defamation.
C. negligence.
D. fraud.
E. conversion.

26. *Stealing* is one form of
A. nuisance.
B. defamation.
C. negligence.
D. fraud.
E. conversion.

27. The failure to exercise the degree of care required by law constitutes
A. nuisance.
B. defamation.
C. negligence.
D. fraud.
E. conversion.

28. Taking money which is in your care but which belongs to your employer is known as
A. perjury.
B. embezzlement.
C. arson.
D. robbery.
E. libel.

29. The power of a certain court to hear certain controversies or cases is known as its
A. execution.
B. indictment.
C. jurisdiction.
D. petit.
E. equity.

30. Published court decisions are found in books known as
A. blue books.
B. statutes.
C. laws.
D. reporters.
E. petits.

31. The common law consists of
A. rules designed to protect people when no other adequate remedy exists.
B. decisions of courts based upon the customs and usages of the people.
C. ordinances.

00042

D. all of the above.
E. none of the above.

32. If Jones gives false testimony in a court proceeding, he is guilty of
A. conversion.
B. nuisance.
C. negligence.
D. perjury.
E. none of these.

33. A contract that gives one person possession and control of the real property of another is
A. subletting.
B. rent.
C. lease.
D. tenancy.
E. none of these.

34. A lease existing for an indefinite period of time with rent due at stated intervals is a (an)
A. assignment.
B. periodic tenancy.
C. tenancy at will.
D. tenancy for years.
E. none of these.

35. A lease that exists for a specific period of time concerns
A. renting.
B. periodic tenancy.
C. tenancy at will.
D. tenancy for years.
E. none of these.

36. A lease may be terminated in which of the following ways?
A. Surrender
B. Eviction
C. Mutual agreement
D. Expiration of lease
E. All of these

37. A contract whereby a tenant grants to another all his or her rights to the property for a part of the time the tenant is entitled to it is a (an)
A. assignment.
B. periodic tenancy.
C. subletting.
D. terminating.
E. none of these.

38. If a tenant wishes to move and is under a lease he or she may
A. just move out.
B. refuse to pay rent if forced to stay.
C. sublet.
D. tear up the lease, thus ending it.
E. none of these.

39. The landlord has the responsibility and liability to
A. make all repairs.
B. keep up the yard and lawn.
C. make sure tenant has made all repairs.
D. pay the taxes.
E. add on rooms at the request of the tenant.

40. A tenant has the responsibility to
A. pay the rent.
B. make some repairs.
C. a third person who might be injured
D. the landlord if he sublets.
E. all of these

00043

BASIC BUSINESS
Personal Law and Economics: Unit II
Personal and Consumer Contracts

Name _____

Period _____

VOCABULARY WORKSHEET—Parts 2A, 2B, 2C, 2D, 2E, 2F and 2G

Using the list of legal terms given at the end of each part of the assigned textbook reading for this unit, choose the term which best matches each of the definitions given below and write or print the term in the blank which precedes the definition. Note that the definitions are divided into sections for you; use the terms at the end of each part for the definitions from that part only.

PART 2A—Terms on page 37:

_____ 1. Rights in tangible or intangible movable things.

_____ 2. Legally enforceable rights in anything subject to ownership.

_____ 3. Rights in land and things attached permanently to it.

_____ 4. The crime of deliberately setting fire to another's building.

_____ 5. An agreement that is not enforceable in the courts.

_____ 6. A contract that the courts will enforce against one of the parties but not against the other.

_____ 7. An agreement that is enforceable at law.

_____ 8. One who makes a promise.

_____ 9. Another name for personal property.

_____ 10. Not contrary to law

PART 2B—Terms on page 48:

_____ 1. One whose mind is unsound, deranged, or seriously defective.

_____ 2. An adult's action of affirming a contract made during minority.

_____ 3. A tort of false representation.

_____ 4. In most states, a person under age 21.

_____ 5. One who has capacity to contract.

_____ 6. That which is reasonable and proper for one's maintenance.

_____ 7. A statement or an act showing an intent not to abide by a contract.

_____ 8. The age at which a minor becomes of age.

00044

PART 2C—Terms on page 60:

_____ 1. A proposal that expresses the willingness of the offeror to enter into a legally binding agreement.

_____ 2. Agreement by both parties to do or not to do a certain thing.

_____ 3. The party to whom an offer is made.

_____ 4. A contract to keep an offer open a certain length of time.

_____ 5. The party who makes an offer.

_____ 6. The assent to an offer.

_____ 7. An acceptance that varies or qualifies the offeror's proposal.

_____ 8. Withdrawal of an offer before acceptance.

PART 2D—Terms on page 72:

_____ 1. A belief, not factual.

_____ 2. False representation or concealment.

_____ 3. Improper persuasion.

_____ 4. That which is intended to influence action.

_____ 5. Threat of force or act of violence.

PART 2E—Terms on page 84:

_____ 1. A contract in which bribery is to be used to influence legislation.

_____ 2. A lender who charges an excessive rate of interest.

_____ 3. The rate of interest specified by statute when no rate is stated in the contract.

_____ 4. The charging of interest on a loan of money beyond the maximum rate.

_____ 5. The rate agreed upon by the parties to a contract for the lending of money.

_____ 6. A bet on any event, the happening of which depends upon chance.

_____ 7. The saving of life or the preserving of health or property.

_____ 8. Accepting any money or property in return for a promise not to prosecute a criminal offense.

_____ 9. A permit to do something that would otherwise be unlawful.

PART 2F—Terms on page 94:

_____ 1. One to whom a claim is owed.

_____ 2. Refraining from doing what one has a right to do.

_____ 3. Mutual promises of a debtor and creditor to refrain from going to court to settle a disagreement regarding the amount of a debt.

_____ 4. One who owes an obligation.

00045

_____ 5. The agreement of all creditors to accept a proportion of their claims in full satisfaction of a debtor's obligations.

_____ 6. The thing one person asks another to do in return for his or her promise.

PART 2G—Terms on page 107:

_____ 1. A contract in which the agreement of the parties is shown by their acts or conduct.

_____ 2. A contract in which the agreement of the parties is shown by their spoken or written words.

_____ 3. The rule that declares the writing to be the only evidence of the agreement.

_____ 4. A written contract that must be in some special form to be enforceable.

_____ 5. A contract to which a seal is attached.

_____ 6. All contracts that are not formal contracts.

_____ 7. A written contract that must meet special requirements such as the use of certain words.

_____ 8. A law that requires certain agreements to be in writing to be enforceable.

_____ 9. A contract that has been fully performed.

_____ 10. A contract that has not been fully performed.

00046

Appendix 10

BASIC BUSINESS
Personal and Consumer Contracts
Quiz

Name_____

Read the statements or definitions given below (1-20). From the list of terms (A-T) decide which term best completes the statement or definition given and indicate in the blank at the left the letter corresponding to your choice. *Each term will be used only once.*

A. Arson	F. Disaffirmance	K. Option	P. Undue influence
B. Concealment	G. Duress	L. Personal property	Q. Usury
C. Consideration	H. Fraud	M. Ratification	R. Valid
D. Contract rate	I. Legal rate	N. Real property	S. Void
E. Counteroffer	J. Necessaries	O. Revocation	T. Voidable

_____ **1.** Rights an individual has in tangible, movable things such as clothing, automobiles, and radios are_____ rights.

_____ **2.** A contract where a minor purchases an outboard motor is a_____ contract by the minor.

_____ **3.** Charging a rate of interest in excess of the maximum rate is called_____ .

_____ **4.** If the seller intentionally conceals important facts that have an effect on the buyer it is called_____ .

_____ **5.** When the offeror wants to cancel his offer and does it in a proper way it is called_____ .

_____ **6.** A proposal made by the offeree that changes the original offer makes it a_____ .

_____ **7.** If a contract for an automobile is made between an adult and a minor, the contract is a_____ contract from the adult's standpoint.

_____ **8.** The contracts of minors are always enforceable if they pertain to_____ .

_____ **9.** Some people such as doctors and lawyers must be very careful when contracting with their clients because of_____ .

_____ **10.** Each party to a contract must contribute something; this is called_____ .

_____ **11.** The rate of interest specified by the statute when no rate is stated in the contract is known as the_____ of interest.

_____ **12.** A contract entered into because of a threat of harm is voidable because it was entered into under_____ .

_____ **13.** Rights an individual has in a home, a lot or place of business (if he or she is the owner) are known as_____ rights.

_____ **14.** When a minor becomes an adult and makes a payment on a past contract this act constitutes_____ of this contract.

_____ **15.** _____ can be a form of fraud.

_____ **16.** The amount of interest printed in the agreement is known as the_____ .

_____ **17.** A contract in which the offeror agrees to keep the offer open for a specified period of time is called a (an)_____ .

_____ **18.** A wager on the Super Bowl which was in written form and signed by both parties would be a (an)_____ contract.

_____ **19.** When a minor decides to avoid a contract for a luxury item; this act is known as_____ .

_____ **20.** An agreement to destroy property by fire would constitute an act of_____ .

00047

Appendix 11

BASIC BUSINESS
Unit II Exam: Personal and Business Contracts
(Chapt. 22 Consumer Book, Parts 2A-G Law Books)

Test No. _____

Reach each of the following statements, questions, definitions or the like carefully. Select the *best* response from the five which follow each item and indicate this response on the *anwer sheet* by *circling* the letter which corresponds to your choice. There are only 25 questions so you have plenty of time. TAKE YOUR TIME. GOOD LUCK!

1. Jones, an 18-year-old Richfield resident, purchased an automobile from Swanson, a 22-year-old Bloomington resident, for $396. What essential element of a contract was missing?
   A. Competent parties
   B. Mutual assent (agreement)
   C. Legal agreement
   D. Offer and acceptance
   E. Consideration

2. Ames purchased fence parts, wire and gates and enclosed his suburban land. After he completed the work, the materials would be considered to be
   A. chattel property.
   B. personal property.
   C. real property.
   D. statute property.
   E. county property.

3. A contract which can be enforced by one party, but cannot be enforced against him is known as a _____ contract.
   A. valid
   B. voidable
   C. void
   D. executed
   E. negotiable

4. All contracts made by minors which are not for necessaries are _____ contracts.
   A. valid
   B. voidable
   C. void
   D. formal
   E. negotiable

5. Which one of the following could *not* be considered legally as a competent party to contract?
   A. 27-year-old housewife
   B. 67-year-old caretaker
   C. 59-year-old retired mail carrier on a pension
   D. 60-year-old mental patient at state hospital
   E. 23-year-old hospitalized after broken hip in auto accident

6. A statement or act which shows intent to break a contract on the part of a minor is known as
   A. forbearance.
   B. ratification.
   C. duress.
   D. disaffirmance.
   E. fraud.

7. The age of majority for males and females in our state is
   A. 14.
   B. 16.
   C. 18.
   D. 21.
   E. 25.

8. Which of the following would most likely be considered a necessity to an 18-year-old high school graduate who has moved from his parents' home?
   A. Stereo
   B. $125 suit
   C. Automobile
   D. Gasoline for automobile
   E. $10 worth of groceries

9. The two necessary elements of mutual assent or agreement are
   A. offer and acceptance.
   B. executed and executor.
   C. assignor and assignee.
   D. implied and express.
   E. disaffirmance and ratification.

10. An advertisement in the *Richfield Sun* by a used car dealer indicates he's willing to sell an automobile for a specified price. Your grandfather goes to the used car dealer and offers him this price. The car dealer refuses to sell. Can your grandfather force the auto dealer to sell in this instance?
    A. No, not unless your grandfather lives in Richfield.
    B. Yes, an offer has been made and your grandfather has accepted.
    C. No, advertisements are not considered to be offers in most instances.
    D. Yes, your grandfather could sue for misrepresentation if no agreement is reached.
    E. No, this is not undue influence on the part of the auto dealer.

11. Which of the following is *not* one of the ways an offer may be terminated?
    A. Definite refusal by an offeree
    B. Death of the offeror
    C. Counteroffer by an offeree
    D. Revocation by offeror before acceptance
    E. All of these legally terminate an offer

12. Killebrew wrote Chance offering to sell him his 36-ounce bat for $10 and stated that if he didn't hear from

00048

Chance within 10 days he would consider the offer accepted. Chance made no reply. Was there a contract?
A. No, the acceptance must be unconditional.
B. Yes, there is an offer and acceptance here.
C. No, the price of the bat is much too high to be enforced.
D. Yes, the acceptance is indicated by a lack of action or words.
E. No, the acceptance must be indicated by some word or act.

13. A man is talked into buying a chest of drawers because the salesman, who knows what it is made of, says it is made of "solid cherry" when in fact it is maple veneer. This is an example of
A. duress.
B. fraud.
C. undue influence.
D. misunderstanding.
E. good salesmanship.

14. A salesman selling TV sets made the following statements. Which of these statements would *not* be a basis for fraud if a purchaser later wanted to return a TV set he purchased from the salesman?
A. "The cabinet is made of solid mahogany"
B. "The picture tube has a two-year warranty"
C. "This TV set gives true color"
D. "This TV set can bring in both VHF and UHF without an adapter"
E. "This new switch gives instant sound and picture in eight seconds"

15. A guardian who gains personal profit from an unfair contract made between him and the one he should be protecting is said to be guilty of
A. duress.
B. fraud.
C. undue influence.
D. misrepresentation.
E. concealment.

16. A man enters into an agreement because of a threat to do bodily harm to his wife and children if he doesn't. This is an example of
A. duress.
B. fraud.
C. undue influence.
D. misunderstanding.
E. concealment.

17. A teacher signed an order for an expensive set of books ($250) because he hurriedly read the order form and thought he was simply requesting an examination copy of a single book under no other obligation. This is an example of
A. duress.
B. undue influence.
C. concealment.
D. mistake that does not affect the agreement.
E. mistake that renders the agreement void.

18. The maximum interest rate on written contracts in our* state is
A. 6%
B. 8%
C. 10%
D. 14%
E. 18%

19. Which of the following types of agreements would be an example of a *legal agreement* in our state?
A. Agreement to restrain trade
B. Agreement to pay usurious interest
C. Agreement affecting marriage of adults
D. Agreement to engage in a lottery
E. All of these are illegal agreements

20. Zeke engaged for $8 per hour the services of an unlicensed electrician with 10 years of experience to wire his home in an area where only licensed electricians may wire. What element of a contract is missing in this agreement?
A. Competent parties
B. Mutual assent (agreement)
C. Legal agreement
D. Offer
E. Acceptance

21. Which of the following is *not* one of the five essential elements of a contract?
A. Competent parties
B. Printed form
C. Consideration
D. Mutual assent
E. All of these are essential elements

23. While Temple was ill, Bush, a neighbor, harvested Temple's crops without his knowledge. Temple was grateful and upon arriving home from the hospital he promised Bush $100. When Temple failed to live up to his promise, Bush sued him for the $100. Would Temple have to pay?
A. Yes, all elements of a contract are present
B. No, past acts are not consideration for later promises
C. Yes, past acts are valid consideration for later promises
D. No, the amount is under $500 so it must be written
E. Yes, being incompetent did not relieve Temple of his debts

24. Which of the following contracts *must be in writing?*
A. Purchase of an automobile for $300
B. Sale of a lot in Podunk for $483
C. 10-month note with the bank for $287
D. 6-month employment agreement
E. None of these needs to be in writing

25. Which of the following agreements does *not* have to be in writing?
A. Purchase of 1970 automobile ($3,300)
B. Sale of apartment building
C. Agreeing to cover your brother-in-law's debt for $35.78
D. 2-year note with the bank
E. All of these must be in writing

* Teachers may need to change answers to correspond to their states.

00049

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

Developing Economic Understanding Through General Business and Advanced Basic Business:

Instructional Activities

PERMISSION TO REPRODUCE THIS COPYRIGHTED MATERIAL BY MICROFICHE ONLY HAS BEEN GRANTED BY
Van den Heuvel
TO ERIC AND ORGANIZATIONS OPERATING UNDER AGREEMENTS WITH THE NATIONAL INSTITUTE OF EDUCATION. FURTHER REPRODUCTION OUTSIDE THE ERIC SYSTEM REQUIRES PERMISSION OF THE COPYRIGHT OWNER."

ED008723

Ray G. Price and Charles R. Hopkins, Editors

Joint Council on Economic Education

Developing Economic Understanding Through General Business and Advanced Basic Business:

Instructional Activities

Edited by

Ray G. Price, Professor Emeritus
Department of Business Education
University of Minnesota

and

Charles R. Hopkins, Professor
Department of Business Education
University of Minnesota

1975

Joint Council on Economic Education

00051

© 1975 Joint Council on Economic Education
All rights reserved.

00052

Foreword

The Joint Council on Economic Education is pleased to make this publication available to business educators who desire to include more economics in their general and basic business courses. It is intended to serve as a curriculum development document to be used by persons charged with redesigning present course offerings. Hopefully it will stimulate more extensive economic education activity among business education teachers because economic education is a crucial factor in the national effort to raise the level of economic decision-making.

We are indebted not only to Professors Ray Price and Charles Hopkins for their editorial services but also to the Business Economics Curriculum Project Coordinators: Thomas Duff, Richfield, Minnesota; Catherine Merrill, Fulton County, Georgia; Odessa Wyckoff and Eunice Judd, Oklahoma City, Oklahoma, for their untiring "front line" energies within their school systems. Others who contributed professional expertise to raise the quality of the curriculum through on-site consultation, manuscript review and teacher education were Dr. Herbert Jelley and Dr. Clayton Millington of Oklahoma State University, Dr. Theodore Boyden and Dr. Charles Boardman of Georgia State University, and Dr. John Helmberger and Dr. Darrell Lewis of the University of Minnesota. These individuals represent the best in cooperative services rendered by universities on behalf of school systems.

Organizationally we must also credit the National Business Education Association and Delta Pi Epsilon for constant encouragement and endorsement of the objective that economic literacy can be achieved through effectively combining business and economic education. Of course, the Joint Council's Oklahoma, Georgia and Minnesota affiliates were instrumental in providing supportive human, financial and material resources which local curriculum projects require. Certainly the individual school districts and their administrative and teaching staffs deserve much praise for taking the initiative and moving into uncharted waters with a resolute conviction that the job of economic education can be tackled through cooperative action by teachers, community leaders, and university scholars. Perhaps this curriculum document will encourage other school systems to join in the process.

S. Stowell Symmes
Director of Curriculum

00053

Preface

The following instructional activities are selections from three business-economics curriculum projects. The purpose of these projects was to develop several patterns of economic education to be made available to other school systems as aids to improving the economic competency and understanding of students through the Business Curriculum. The projects were carried out in three school systems: Oklahoma City (Oklahoma), Odessa Wycoff, Project Coordinator; Fulton County (Georgia), Catharine B. Merrill, Project Coordinator; and Richfield (Minnesota), Thomas Duff, Project Coordinator. Funding was provided by the Joint Council on Economic Education, Affiliated Councils or Centers and the local school districts.

Ray G. Price
Charles R. Hopkins

00054

Contents

Introduction 1

Part I—Activities for Use in General Business 2

Part II—Activities for Use in Advanced Basic Business (Grades 11 and 12) 10

Selected Bibliography 17

00055

Introduction

The teachers who participated in the Business-Economics Curriculum Project suggested the use of a variety of activities. These proposed activities were used in several different business subjects to help students to develop economic understanding.

The major contributions of business education to the development of economic understandings is through the basic business subjects. It should be noted, however, that some economic understandings can be developed through the vocational business subjects. One subject that provides ample opportunity for presenting economic concepts is bookkeeping/accounting. All the project schools used many units in accounting to develop economic understandings. The following are examples of those used: profits, credit, taxes, business organizations, and capital formation.

Most of the instructional activities submitted by the participating schools were used in basic business classes. Therefore, activities selected for inclusion in this report are for use in the basic business subjects.

Instructional activities included were selected because they illustrate the range of techniques that were used in the classrooms of the project schools. No formal evaluation of the effectiveness of the activities was conducted.

The activities are not necessarily recommended for use in their present form, but rather to be used to stimulate other ideas that may result in creative teaching. Any of the learning activities reported should be modified to fit students, subjects, and needs of a particular situation. For example, activities suggested for use at the 9th or 10th grade level may be appropriate for use in the 11th and 12th grade. The reverse is also true.

The activities are organized according to levels rather than by specific subjects—General Business (grades 7, 8, 9 and 10) and Advanced Basic Business (grades 11 and 12). The basic business subjects from which the majority of the activities were selected were: General Business; Consumer Economics; Business Law; and Advanced Basic Business (one-year course combining Consumer Economics, Business Law and Economics).

00057

Part I

ACTIVITIES FOR USE IN GENERAL BUSINESS

As would be expected, each of the three project schools used a different format in preparing their suggested activities for use in helping their students to develop economic competency. With but little change the activities are presented in the form in which they were prepared by the teachers.

Activities 1-9 were presented by the teachers of Fulton County (Georgia).

R.G.P.
C.R.H.

ACTIVITY 1

Idea: Strip Booklet

Purpose: To reinforce understanding of the role of banks in creating money.

Procedures: Develop through discussion the points listed below. Students indicate understanding of discussion through illustration of the relationship of these ideas by preparing a strip booklet.

1. Who makes money? The government? Banks?
2. What is money? Who creates it?
3. What is legal tender?
4. What is deposit currency?
5. What are bank credit limits?

ACTIVITY 2

Idea: Guest Speaker

Purpose: To familiarize students with business careers, current practices, and economic topics through a guest speaker.

Procedures: Speakers can be used effectively in any business class and on any subject.

1. Obtain name of possible guest speakers
2. Obtain permission of principal to contact them
*3. Write letter of invitation outlining topic
*4. Introduce speaker to administrators and to the class
*5. Prepare questions in advance to ask speakers[1]
*6. Write "thank you" note

*Student functions

ACTIVITY 3

Idea: Case Study—Buying a New Car

Purpose: Analyze advertisements and compare finance charges

Procedures: Each student is given $1,000* cash to use as a down payment on a new car. The car is chosen from pamphlets and pictures received directly from car dealers.

The total price of the car after subtracting the down payment then either has to be paid in instalments to the bank or the Acme Loan Company.

*Note: This is in theory—not cash!

1. Students choose a car and itemize extras.
2. Determine total cost of car and amount of down payment.
3. Subtract down payment from total to determine amount to be paid in instalments to bank or Acme Loan Company.
4. Given rates (approximately as of March, 1972)

Bank Advertisement—11.08% interest per year. Loan to be repaid in 3 years. 11.12% interest per year. Loan to be repaid in 2 years. No payment for 3 months. We'll tag free. Payment holiday option.

[1] For example, the following types of questions might be asked of a business executive:

What goods or services does your firm produce? Why these?
What costs are involved in the product of your output? Fixed costs? Variable costs?
How important is the competition from other firms in the same industry?
What factors bring about changes in the demand for your output?
How quickly can you respond to changes in demand?
How is your firm affected by the business cycle—by recessions and by "booms"?
Do your employees belong to unions? Is there collective bargaining?
How are wage rates established? How important is worker productivity?
What government regulations apply to your firm?
What taxes—federal, state and local—do you pay?
How do you relate to other businesses in this community? To what extent do you use local suppliers, for example? Local transportation firms? Others?
How is your business affected by international economic matters? Do you face strong foreign competition? Do you sell your output abroad? Are you affected by such things as tariffs, quotas, export subsidies, changes in the value of the dollar?
How do banks serve your business? Are you affected by such problems as "tight money" and high interest rates?

00058

Acme Loan Company Advertisement—14% interest per year. Loan to be repaid in 3 years. 14.57% interest per year. Loan to be repaid in 2 years. No payment for 4 months. Need only small amount of collateral!

5. Each student should figure exactly how much payments would be per month from the bank and the loan company. Also determined is the total cost of a loan from each source. Students then make a choice between borrowing the money from the bank or the loan company and whether to borrow the money for two or three years.

ACTIVITY 4

Idea: Skit with Tape and Slides

Purpose: To provide guidance to business education students preparing for careers in the business world.

Procedures: *Opportunities Unlimited in Business Education* is a sample script about business education courses that can be presented by means of slides and a tape.

1. Formulation of script
2. Selection of actors
3. Taping of narrative
4. Photographing scenes to accompany narrative
5. Making slides of photos
6. Synchronizing tape and slides
7. N—Narrator
   S—Students

OPPORTUNITIES UNLIMITED IN BUSINESS EDUCATION

Narrator: You are about to chart your course to take your boat through the channels of education to the secure landing in a future career. Let us look first at the broad base of education that you will use to give you needed building blocks for your career. You will need to follow the school curriculum that requires you to take English, social studies, mathematics and science. You will have many choices to make as you journey through your high school program—be sure that you make the choices best suited to YOUR needs. Remember to talk over decisions with your counselor, your teachers, and your parents.

Now we will talk about specialized training. We will take a look at what Business Education can do for you. How may you participate in a specialized program in the 8th grade? You may start your program with the most widely used machine in the business world—the typewriter.

Student: You mean you can learn to type in the 8th grade?

Narrator: You certainly may learn to type in the 8th grade. The Fulton County Schools have this provision for you to take typing as an elective in the 8th grade. In fact, that is the ideal time to take typing; you will then be able to use this skill for your other classes. I am sure your teachers would much rather read themes and other work that are neatly typed.

S. Maybe we are too young to learn to type.

N. On the contrary, reports from teachers working with 8th-grade typists report that they do quite well. In addition to just learning the keyboard, you learn the correct way to type themes, business letters, and reports. You will study spelling, punctuation, and rules that will help you to use your language more correctly. You will learn to keep up with the world of business; after all, this is your world and you need to prepare yourself to live in it successfully. As the *Atlanta Journal* newswriters are fond of saying, "An informed citizen is a better citizen."

S. Suppose we are going to college.

N. Then you will surely need to be able to type to do all your required themes, reports, and research papers. You may not be able to afford to hire someone to do this typing for you. In your typing class you will learn how to do manuscript typing.

Think what a big help it will be to you to know how to type your personal and business letters.

S. I have a cousin who took typing in high school. When he went in the army, he worked in an office typing reports.

N. That frequently happens. When you look at unemployment figures, you will notice that it is harder to get a job when you have had no special training. Good typists are always needed in business.

S. But aren't these jobs just for girls? Wouldn't these jobs be sissy jobs for boys?

N. It seems that boys with long hair do not consider themselves sissies. The statistics show that more and more boys are going into the clerical field—the white collar jobs—that was once a clear field for the girls.

S. What type of job training will we get in addition to typing?

N. All right. Consider our other levels of business subjects. But before we leave typing, let me remind you that you may take typing at any grade level in school. It is only suggested that you start in the 8th grade. Now you may take your general business course at the 9th-grade level; this is a course in business economics that will help you to understand how your business world works and how you may be an effective worker. In this course you will receive much information that will guide you through the remainder of your business program.

S. I have a sister who took that course and she said it helped her to make up her mind what she wanted to do. She decided she wanted to be a secretary.

N. That's good. You need to be thinking about what you would like to do. But remember that your typing will be the foundation for the courses you decide to take. In the 10th or 9th grade you may be able to choose advanced typing classes if you have completed your 8th-grade typing. It would be necessary for you to get your typing in at least by the 10th grade so that you could proceed with other areas of your program. Also, you may choose to take your business mathematics courses in the 10th grade. This is a good practical course that will give you the type of experience in working with problems that will help you with the math that is related to business.

S. Then we should have our course in general business procedures, our typing, and our business math completed before the 11th grade.

00059

N. Yes, that would be ideal. Of course you would also be meeting the other requirements in the curriculum—your English, social studies, math, science, and perhaps your physical education requirements. However, it is really in the 11th grade that you must start your career choice.

S. I think I would like to go into the construction industry. They really make money—more than teachers.

N. That is sometimes true. Plumbers too sometimes earn more money than teachers. If you like the construction industry, look at the bookkeeping and management programs in business education. In the 11th grade you may want to enroll in bookkeeping or business principles and management or both during your 12th year. This will give you a program that will enable you to understand the operation and record-keeping that are a vital part of industry. Don't you think that this would give you a sense of security for your future?

S. Yes, I do. What else could I take that would help me to get ready to handle a job?

N. You may choose the clerical program—getting practice on business machines and an introduction to data-processing. Why not let me discuss the clerical program with all of you and then you can do some thinking about all the opportunities you will be offered. Back again to the question that was asked earlier: Are these jobs just for girls? The answer is "no." More and more boys are going into the clerical field.

We are going to assume that you now have your general business economics course completed. You have had your preparation in typing. You have had your bookkeeping (although this is not required) and probably business math. You are ready to develop a variety of clerical skills. You will be working now in a classroom situation that will simulate a real office. You will be playing many roles, as it were. You may be involved in a typing project, you may be keeping payroll records, you may be acting as a receptionist, you may be working on displays and exhibits, you may be learning to fill in forms and make reports, you may be learning how to handle mail, you may be learning to plot travel plans and costs, or you may be learning the correct techniques in using the telephone. To summarize, you will be experiencing the variety of tasks that occur in offices.

S. Then what will we do in the 12th grade?

N. You will continue to study, to sharpen and refine these skills that you have learned so that you will become an expert. Perhaps you will find that you like one particular area and would like to concentrate on some special job.

N. We have talked about clerical and management programs. Now we should look at the stenographic program where your main thrust will be shorthand. Before we move on, may I remind you that you may wish a combination of studies. You need to be a good student in English to elect the shorthand program; however, shorthand is very effective in implementing your grammar skills. If you find that you cannot plan your program to include shorthand in the 11th and 12th grade, you should postpone the course until the 12th grade. Of course complete secretarial training puts you in a very advantageous position in the job market. You may find that here is where you will be able to command the best salaries. I'm sure that you are all thinking now that the more skills and training that you have the better will be your opportunites.

S. Would you please suggest how we may choose subjects in the business department wisely if we are on an academic course and plan to go to college.

N. Let me say this. Your extra business skills are something like an insurance policy. You could use your shorthand in college to help you have a complete set of notes. You could use your typing skills for your letters, reports and research papers. Then, too, have you thought of this: You may need to make money to help yourself get through college. The many offices on campus use skilled help; your business skills would certainly come in handy in getting a part-time job. You must realize that during your high school years you need to avail yourselves of every possible course that will serve you in your future preparation.

S. You are saying that I do not have to be enrolled as a business student in order to take advantage of courses offered in the Business Department.

N. Students are welcome to elect subjects in the business program if they need them, regardless of the major they may presently be enrolled in. You need to keep in mind your required courses plus your elective courses. I hope you understand that you may wish to go through the business program with the purpose of going immediately into the world of work—or you may wish to choose the subjects that will help you in college. Of course if you had to drop out of college, then you would have your business skills to fall back on. I say again—business education is similar to an insurance policy in that it prepares you for a variety of employment opportunities.

S. It seems that the business program has something to offer to all of us.

N. Yes, there is something useful for everyone in the Business Department.

S. Would you please summarize the information that you have given us.

N. Yes, I will be glad to go over the highlights of what you may expect so that you may think carefully over the choices you wish to make. However, there is one more program that you may wish to consider. This is Vocational Office Training (VOT). This program would involve you in a business education training program—plus work experience. You would receive your vocational office training at school and then spend part time in an office job.

S. That sounds neat. What do we need to do to get on this program?

N. First, find out if this program is offered in your school. Some schools in Fulton County offer the Vocational Office Training program, others do not. If you find this program is available, then talk with your teachers, your counselor, and your parents. Be sure that any choice you make is the best one for YOU and YOUR FUTURE.

Let's all think together now about the best possible individual choices. Probably some of you are thinking about record-keeping and bookkeeping. You may be thinking in terms of owning and operating your own

00060

business—so you would plan to take the management courses to get the necessary background.

S. I think I would like to be a secretary. Secretaries are such an important part of the world of business.

N. That is very good. You must remember that in the world of business you are going to be very important people if you have the preparation to perform your job successfully.

S. I think it would be good for me to start a business of my own or go into a partnership with others.

N. You will learn in your management and other courses about the advantages and disadvantages of various types of ownership. This will help you to determine what choice to make.

S. I see a lot of advertisements for clerical workers. That would seem to be a good field to enter, a field where workers are needed.

S. I read a lot about data-processing. That seems to be the trend of the future.

N. Yes, and in your clerical program, bookkeeping, business math, and office machines course, you are going to be given background in data-processing. Of course it all starts with your typewriter.

I am sure that you are thinking now that you will need all the training you can get. There are courses that you may choose to elect. Business law is a course that would help you to understand the functioning of our laws as applied to business and individual transactions in the business world. This course would be helpful to anyone. The consumer economics course would be helpful to anyone in understanding the role of the consumer in our economy and the necessity for making wise choices in the selection of goods and services. Then, certainly, the business principles and management course will help you to understand the organization of business and how to apply this information to your own needs; this course is very important to those of you who may be going into business for yourselves or as manager of some area of business.

S. We should be very well informed about what is going on in our business world. I think it is very interesting the way our country operates the free enterprise system.

N. It is most important that you, as future workers and citizens, know how your economic system works. You must learn to understand and communicate effectively. Speaking of communications, you will have an opportunity to study BUSINESS COMMUNICATION in your Business English course. You will learn how to compose effective business correspondence—a MUST in the business world. You will study how to be an effective participant in group discussions. You will learn to read and analyze materials. You will learn the importance of developing your own individual communications skills so that you will be effective in your business and personal relationships.

You see that you do have OPPORTUNITIES UNLIMITED in the business education field. You may decide to be a typist, a file clerk, a secretary, an office machines operator, a receptionist. You may decide to go into business for yourself or go into the field of management. You may decide to go into data-processing. All the way through your program you will be relating to the economic concepts that prevail in our free enterprise system. You will become acquainted with the market system, government controls, natural and human resources, standard of living, choices in buying goods and services, fluctuations in the stock market, our monetary and fiscal policies, employment, transportation, labor and management relationships, competitive buying and selling, and comparison of our economic system with other economic systems.

S. I think that I can now begin to make wise decisions for my future career.

N. That is what I wanted to hear. Now is the time to start your planning to enter the ranks of the gainfully employed. Good luck to all of you.

ACTIVITY 5

Idea: Filmloop

Purpose: To involve students in illustrating how competition affects prices. To illustrate long-run, short-run, equilibrium prices.

Procedures:
1. Study carefully the subject that is to be presented.
2. Write the story
3. Determine a series of pictures that would tell the story without the use of words.
4. Get the pictures drawn.
5. Put the pictures in sequence.
6. Look at them and let others look at them to see if they can piece together the story that you intended.
7. When at last the story is so clear that you feel anyone could understand it, send the pencil-drawn pictures to audio visual to be made into a loop.
8. If the loop does not turn out well, it could be that timing for each frame has not been correctly given. Don't give up! Make adjustments where needed.

ACTIVITY 6

Idea: Student's Choice: Students choose their own methods to present their material to the class.

Purpose: To allow students to share learning and to develop their own understanding of economic topics.

Procedures: Students are given a list of the economic topics that have been presented in class. They are told to prepare a report on any topic. They are allowed to choose the form that their report will take. Sample skit is included.

List of possible economic topics that can be presented:

free market
social security
economic risks
opportunity cost
economic growth
rational choice
capitalism

00061

dollar devaluation
supply vs. demand
government spending
monopoly causes higher prices
consider necessities first, then luxuries
competition lowers prices
collective bargaining
factors of production
U.S. wars increased the national debt
increased credit buying now reduces future buying power
interest rates influence credit buying
worker productivity
increase your education and you may increase your salary

SAMPLE SCRIPT

Robyn: Faye, guess what! I got $25 for my birthday from my grandmother.

Faye: Gosh! What ya gonna buy with it?

Robyn: Nothing, dummy, I'm gonna put it in a savings account at the bank.

Faye: In a what?

Robyn: In a savings account. That way instead of my $25 just sitting around it can make money for me.

Faye: Make money for you? How in the world can it do that? Magic?

Robyn: No, stupid. It's really kinda simple: You see, the bank will invest my money in a factory and that will help the factory grow. Then because they're making more products they'll need more workers and then my Uncle Ralph might move down here to work in the factory. That means his family will have to have a house and food and stuff like that so it'll make the community keep on growing. You see?

Faye: Wow! Your money's gonna do all that?

Robyn: Yep!

Faye: Gee, could I do that with *my* money?

Robyn: Sure, dummy. *Anybody* can do it.

Faye: Good. Now all I have to do is wait for somebody to give me some money!

ACTIVITY 7

Idea: Bulletin Board—Current Readings

Purpose: To create interest and motivate students to read about current economic topics.

Procedures: Political satire has long been a popular teaching technique. It can be used in the high school class by allowing the students to collect cartoons and other humorous items on economic subjects and place them on a special bulletin board. The students must be encouraged to bring in the items, and a good start may be made by placing old cartoons on the board and having a general discussion on the place of satire in history. Encourage students to produce their own cartoons related to the concept under discussion or in the news. Readings suggested are current local daily newspaper, *The New York Times, The Wall Street Journal, National Observer, Nation's Business, Farm Journal, The Federationist,* and weekly news magazines.

ACTIVITY 8

Idea: Simulation—Airplane Factory

Purpose: To illustrate that there is an optimum combination of land, labor and capital. Also, to illustrate the law of diminishing returns.

Procedures: Small tables of equal size are set up as "factories."* The first factory gets one employee; the second, two; the third, three; etc. All employees then produce paper airplanes for one minute; each plane folded to a standard design. All activity—storage of supplies, production of the plane, and storage of finished goods—must be done in the factory; that is, on the table. An inspector who is not employed in any particular factory assures that all planes meet specifications.

After production stops, a matrix is completed showing the efficiency (output per employee) of each factory. The matrix will show that up to the optimum number of employees per factory, efficiency will increase. After this optimum number, efficiency will decrease. Then lead students in a discussion of why this happened.

The depth to which this simulation may be carried depends upon the maturity of the students and the level of projection the teacher wishes to carry it. The more advanced courses may use it with greater expansion of understanding of factors involved in the production process and the point at which diminishing returns begin. Could other factors, such as the personality of the inspector, cause less production? Are instructions clear? Is the job description accurate? What is the balance of capital, human and natural resources in relation to entrepreneurship? Does this balance affect returns?

*The tables must all be the same so that differences in size or shape will not affect output.

ACTIVITY 9

Idea: Small Group Project—Cartoon Drawings

Purpose: To dramatize economic concepts for students

Procedures:
1. Select a concept.
2. Draw a cartoon illustrating the concept.
3. Write a narrative explaining the cartoon.
4. Present the cartoon to the class.
5. Post the cartoons on the bulletin board.

00062

Activities 10-29 were prepared by business teachers in the Oklahoma City Schools.

R.G.P.
C.R.H.

ACTIVITY 10

Tell the students that they are to assume that they have each been crowned king of a small country with 400 subjects. They are to answer the basic economic questions:

1. What to produce: How much of the production will be for consumer goods and how much will be for public goods, such as highways, schools, libraries, parks, etc.? How much of the production will be for capital goods: factories, machinery, tools, etc.?
2. How to produce: Will production be mostly by manual labor or will machinery be used to a high degree? Will the people or the government own the means of production?
3. For whom to produce: Will the people or the government be the beneficiary of the production?

ACTIVITY 11

Discuss the students' answers to the questions asked in activity 10 in terms of the type of society created and the effect of economic decisions on the entire society.

Have each student determine whether he or she has created a planned economy or a free economy. A dictatorship or a democracy.

Discuss the differences between traditional, free enterprise, and centrally directed economic systems. Point out that economic planners should consider the social implications of their decisions.

ACTIVITY 12

Ask the students to name industries in which there are a number of competing firms. Choose one industry from those named and discuss:

a. the price of the goods or services produced.
b. the quality of goods or services produced.
c. new goods or services that have been introduced to the market recently.

Have the student assume that it is the only firm in this type of industry. Discuss the effect on the three areas listed above.

ACTIVITY 13

Have the students use reference books for information about the principal characteristics of the four major types of market structures. Choose several students to describe the market structures to the class. Be sure that they have discussed the following:

a. pure competition—many buyers and sellers of a homogeneous product so that the price is established by the market; one individual seller has no control over the price.
b. monopolistic competition—many buyers and sellers of a slightly differentiated product. Individual sellers have some control over prices.
c. oligopoly—few sellers controlling an industry.
d. monopoly—one seller of a product that has no acceptable substitute.

ACTIVITY 14

Have students bring to class examples of advertisements from newspapers and magazines. Classify the ads as price competition or product competition. Display the ads on the bulletin board under these headings.

ACTIVITY 15

Have the students find an editorial or a cartoon in a newspaper or magazine in which businessmen are urged to help the economy in some way. Example: not charging more for their product or reducing the present price of their product.

Use the editorials and cartoons for class discussion and then have the students display them on the bulletin board.

ACTIVITY 16

Divide the class into four groups. Group 1 will represent the President in a time of inflation. Group 2 will represent Congress during inflation. Group 3 will represent the President during a recession. Group 4 will represent Congress during a recession. Ask the groups to recommend measures to be taken to stabilize the economy. Write the recommendations made by each group of students on the chalkboard; ask for general comments for discussion as to the possible effectiveness of the suggested measures.

ACTIVITY 17

Invite a resource person from a local financial institution to visit the classroom to discuss the activities of his or her institution. (Suggestion: Have students write two or more questions or topics they would like to have discussed. Collect the information and compile a list to give to the resource person prior to the visit. Go over the students' list and add other questions that might be needed.)

ACTIVITY 18

A major responsibility for protecting consumers is assumed by the federal government.

a. Appoint a committee to find out some of the practices in the advertising of patent medicines before the Pure Food and Drug Act was passed in 1906.
b. Appoint a committee to find out about some of the recent activities of the Food and Drug Administration in protecting the consumer.
c. Appoint a committee to present the arguments for and the arguments againt labeling cigarettes as a cause of cancer. What effect has such labeling had on the tobacco industry?
d. Appoint a committee to make a report on the Federal Trade Commission and its role in protecting the consumer.
e. Appoint a committee to make a report on the responsibility that the United States Department of

00063

Agriculture assumes in consumer protection.

f. Appoint a committee to make a report on the Securities Exchange Commission.

ACTIVITY 19

Have students use news magazines and newspapers to find information about new laws or proposed laws that will aid in protecting the consumer.

ACTIVITY 20

Important sources of consumer information are seals of approval, government publications, consumer-testing magazines.

a. Ask students to bring labels or advertisements showing that a product has been approved by a particular magazine. Read the label carefully to determine what the seal actually states.
b. Point out that claims by the seller require careful study to be helpful to the consumer.
c. Have students use library resources to determine what government publications are available for consumer information.
d. Invite an employee of the Central Food Service Department of your school to visit the classroom to describe some of the sources of information they use before purchasing food for the school cafeterias.

ACTIVITY 21

The real value of consumer information is dependent on its use.

Write an editorial "Consumers Do Not Make Intelligent Use of Available Aids."

ACTIVITY 22

Through class discussion have the students name areas in which they believe problems exist in our growing economy. Ideas that will probably be mentioned are: (1) pollution; (2) overpopulation; (3) poverty; (4) technological unemployment (automation); (5) increasing scarcity of resources; (6) deterioration of the cities.

ACTIVITY 23

Divide the class into groups of four or five students. Each group is to choose one problem area from the list the students provided in Activity 22. As a group, they are to research the problem area and prepare:

a. a written report.
b. an oral report.

Arrange with the school library for about three class periods so that the groups may research their problems.

The reports should include information covering material such as:

a. Historical Background
   (1) When the area became a problem.
   (2) When the area was recognized as a problem.
   (3) Causes of the problem.
b. Economic Implications
   (1) Effect on the entire society.
   (2) Effect on the individual.
c. Solutions
   (1) Those actually attempted by the government.
   (2) Those proposed by private industry.
   (3) Those proprosed by the students.

ACTIVITY 24

Collect the students' written reports. Each group is then to present orally its report to the entire class. Following its presentation, the group should sit as a panel and answer questions from the class in their problem area. The teacher should be prepared to question the panel in the event that class participation is poor.

ACTIVITY 25

Divide the class into groups of three to five students. Each group will make a choice of the automobile they would purchase from the following list:

Chevrolet	Pontiac
Dodge	Buick
Ford	Ambassador
Plymouth	(Others can be added)

The results of the decision should be tabulated and listed on the chalkboard or on a transparency to be projected on a screen.

The students will answer the following questions:

1. What economic decisions might be made by the automobile manufacturers on the basis of the consumer votes that were cast for *each* automobile?

   Possible Answers:

   a. The manufacturer of the car or cars receiving the most votes would increase production and employment and decrease costs and prices.
   b. The consumer votes would influence the style and design of the other cars in order for these companies to compete in the automobile market.
   c. Manufacturers of the cars receiving few or no votes would probably decrease production, decrease employment, increase prices, as a result of higher costs, and possibly withdraw from the automobile market.

2. Why did you select that particular car?

   Possible Answers:

   a. Well-known company
   b. Influence of advertising
   c. "Keeping up with the Joneses"—(status symbol and social pressures)
   d. (Other responses)

3. What products have you seen enter and leave the market as a result of consumer demand?

   Possible Answers:

   a. Hula hoops
   b. Daniel Boone coonskin caps
   c. Edsel
   d. (Fads of the moment)

00064

4. Would you like to own a car? Why?

   Possible Answers:

   a. To drive to work
   b. To drive to school
   c. To go to a movie
   d. To do my shopping

   (The responses can be classified under business and social needs.)

5. What would you, as a car owner, want now that you did not want before you owned a car?

   Possible Answers:

   a. Mag wheels
   b. Stick shift
   c. Tires
   d. Gasoline and oil
   e. Job to pay for car expense
   f. Car insurance
   g. Driver's license
   h. (Other responses)

6. How are you going to pay for all of these things out of your income:

   The students will answer these questions:

   a. Have you ever bought anything on credit?
   b. What did you buy?
   c. What were the terms?

   Suggested topics for student debates:

   - Should teenage credit be abolished?
   - Or should teenagers have their own charge accounts?

ACTIVITY 26

The students will bring to class clippings from newspapers, magazines, advertisements, or sample letters from bulk mailings which urge people to buy on credit or borrow money. Post these on the bulletin board.

The students will react to the following question: What would happen if, beginning tomorrow, all stores required that all purchases be made with cash?

Points to emphasize:

a. The reasons for having credit
b. The advantages and disadvantages of credit buying

Students should conclude that credit provides them with immediate purchasing power by means of a promise to pay at a future date.

Students will watch the film "*Impulse 90.*" This film shows how a CHECKLESS-CASHLESS society could work.

Students will list all the credit cards they can think of and classify them according to the three basic forms.

EVALUATION: Divide the class into two groups. One group will make a list of what they consider to be the advantages of using credit cards. They will describe specific occasions when the use of a credit card has been (or might be) advantageous to them. The other group will use a similar procedure in pointing out the possible disadvantages.

The students will find references in the Readers' Guide to Periodical Literature concerning the credit card or the cashless society. Each student will read one or more articles and summarize the contents briefly. The summary may be in the form of an outline, a graph, a statistical table or a paragraph.

Invite the manager of a major oil company to tell the students about company problems with lost or stolen credit cards.

ACTIVITY 27

The students will select a product which is priced between $5 and $25 and find three advertisements for this product in newspapers, magazines or catalogs. Each student will write a short report telling why he selected for purchase this particular article. The student, as a consumer, will pay cash for this purchase.

ACTIVITY 28

Invite a speaker from the Better Business Bureau to talk about sales practices involving credit, an overview of unethical business practices of which the consumer should be aware and what are considered honest business practices.

ACTIVITY 29

Test on buyer's rights.

Show the film "*How to Buy a Used Car.*" The film tells the story of a father and son discussing guidelines for the purchase of a used car.

Invite a car salesman to talk with the class on "The Teenager Buys a Car" or "How to Buy a Used Car." The class will prepare for the visit by discussing what they would like to know about buying a car. Their questions might focus on the Conditional Sales Contract and the legality of such a contract with a minor. They might want to know about such things as guarantees, accessories, repair and maintenance. Some students will want pointers on how to judge a used car.

Part II

ACTIVITIES FOR USE IN ADVANCED BASIC BUSINESS (Grades 11 and 12)

Activities 30-39 were presented by business teachers of Fulton County (Georgia).

R.G.P.
C.R.H.

ACTIVITY 30

Idea: Student Supply Store

Purpose: To give students an overall picture of business management in distribution to reinforce the ideas of competition, consumer wants, supply and demand.

Procedures: A student supply store can be established as part of the entire business education program. It can sell school supplies during the day and refreshments after school. Various classes can use it as a learning device.

The following things are done by students: (not necessarily in this order)

1. Naming the business
2. Deciding what to sell
3. Pricing
4. Selecting a student manager
5. Hiring employees
6. Purchasing merchandise
7. Keeping financial records
8. Determining profit or loss
9. Evaluating employees
10. Promoting the business

ACTIVITY 31

Idea: Role-Playing

Purpose: To have students participate in a role-playing situation so they will better understand negotiating procedures between labor and management.

Procedures: Students are selected to represent management and the union. Grievances are assigned and rules for negotiations are developed and roles are carried out.[1]

1. Selection of students in class to perform the roles
b. Grievances assigned
c. Rules for handling the discussion developed
d. Negotiations carried out by students performing the roles

ACTIVITY 32

Idea: Group Project—Market Survey

Purpose: To help students to understand the importance of market conditions and consumer needs and wants in business planning.

Procedures: Each group plans the instruments to be used in its research. The instruments may be questionnaires, observations, interviews, etc. After gathering data, each group prepares a class presentation of its findings.

Students, working in groups, actually plan and complete a marketing study. Some possible topics might be:

a. Would the student store make more money selling Coke than selling Pepsi?
b. Would a new hamburger drive-in be likely to prosper in a particular location?
c. Why do persons buy a particular brand of soap?
d. What is the image of a particular brand of product in the consumer's mind?
e. Is a particular business's advertising effective?

ACTIVITY 33

Idea: Guest Speaker

Purpose: Teach the meaning of contracts with special reference to 18-year-olds.

Procedures: Discuss the business activity that results from the 18-year-old contract law.

Secure the speaker and give him or her points to

[1] Students can learn a great deal of basic economics in preparing for their roles. The "business people" should be able to discuss fixed and variable costs, productivity of labor, changes in market conditions that might affect demand for the firm's output, and the like. "Labor representatives" should know the various ways in which wage rates are established (with the stress on worker productivity), how the worker's level of living is affected by inflation (how to distinguish between money wages and real wages), how much bargaining power the union has as a result of the supply of labor available to the firm, etc.

00066

be covered in his or her talk. Ask how the legal system in your state serves the individual, society and business.

Students write reports and reactions to speaker and discuss these in class.

ACTIVITY 34

Idea: Debate

Purpose: To identify the social aspects of business law and to relate these aspects to economics.

Procedures: Students debate such topics as minimum wage law, fringe benefits of employees, taxes on personal income, or some current topic of vital interest to the student. Students study the issue, read articles and prepare arguments to support their position.[1]

1. The teacher should select the issue to be debated after the class has discussed several issues.
2. Balanced teams are selected so that both sides of the issue are equally represented.
3. Set rules for debate—may use Roberts' modified.
4. Summarize points to be covered.

ACTIVITY 35

Idea: Skit—Comparison Shopping

Purpose: To show the economic benefits of comparison shopping through the use of a skit.

Procedures: Hand out script to each student and have them read it as a skit. You will need three actors: Gertrude, Hildegarde and Prudence.

Ask them what they learned from the skit. From their answers, a discussion will come about. These points should be brought out in the discussion:

a. The economic concepts should be identified and defined. List the terminology on the board and explain each term. Ask the students to relate each term on the board to a specific instance in the skit.
b. Students should understand the rationale for making individual economic decisions about where and what to purchase.
c. Students should understand the economic problems involved in impulse buying as compared to scheduled buying.

TAKE THE TIME TO SHOP, COMPARE AND SEE *OR* A PAUPER *YOU* MAY BE

Setting: Hildegarde bought a red dress and has taken it to Gertrude's house to show her.

Gertrude: That's gorgeous but you won't believe this! I bought that same dress in blue a few days ago.

Hildegarde: Oh, where?

G. The Exquisite Shoppe for $37.50.

H. My, my, Gertie, I paid only $35 for it at the department store.

G. Why did mine cost $2.50 more? It's the same dress.

H. Gertie, haven't you heard of comparative shopping? I used to go to the Exquisite, but I discovered I was paying for their beautiful decor in the price of their clothes.

G. Oh, Hildie, what on earth are you talking about?

H. Surely you noticed the chandeliers there and the shag carpet in the ladies' lounge—not to mention the imported marble exterior. We pay for these extras in our purchase price.

G. Hildie, you're all wrong. They put those things there to make shopping more pleasant for the consumer. Besides, I feel like royalty when I shop there.

H. You're right, but, those "extras" cost the store a large amount and they didn't get them for nothing. Those things represent an operating expense for the store and must be accounted for through profits. Also, the expensive packaging they use! Who needs more than a paper bag—they use cardboard cartons with handles for *all* purchases! You think you're getting these things for free, but you pay for them one way or another.

G. Well, even so, I believe I'll pay a little more for luxurious shopping. It's worth it to me.

H. That's fine with me but *I* would rather save a few dollars. I go shopping to buy what I need and want—those "extras"—well, I can take them or leave them! With the way prices are rising these days, I *have* to watch my spending.

The doorbell rings and Prudence, a neighbor, enters.

Prudence: Hi! there. How do you like my new green dress? I got it on sale for $30 today. It sure pays to watch the ads in the paper *before* you go shopping.

H. and G. It's the same dress we bought and it costs even less! I guess there's more than one way to shop for the best price!

Note: The skit can be lengthened to include other economic topics, such as the opportunity cost concept. For example, after Gertrude says she does not mind shopping at the more expensive store Hildegarde might point out that the *real cost* (opportunity cost) is not simply the additional $2.50 she paid for the dress but the other goods and services she could have had for the $2.50. Hildie sacrificed the opportunity to use her $2.50 to buy a new pair of hose, a ticket to a rock concert, or whatever.

ACTIVITY 36

Idea: Guest Speaker—Consumer Credit Counseling

Purpose: To acquaint students with consumer credit counseling.

Procedures: 1. Establish with students problems of young people who succumb to the "Your credit is

[1] Be sure that economic principles relating to the issues are understood. For instance, students should examine the question of whether a minimum wage causes unemployment. Will employers substitute machines for labor? The tax issue should include a study of progressive, regressive and proportional taxes. What taxes do your students now pay themselves—directly or indirectly? Are these taxes "fair?" Are they progressive or regressive?

00067

good" line.
2. Discuss alternatives for financing large purchases.
3. Discuss the role of businesses in helping people handle the problems through consumer credit counseling.
4. Obtain a speaker from a consumer credit counseling agency.
5. Give him or her a resume of what has been done in class and a list of points to be covered.
6. Speaker makes presentation.
7. Discussion and question period with speaker.[1]
8. Follow up in class to summarize and expand economic implications.
9. Students write letters of appreciation to speaker.

ACTIVITY 37

Idea: Flip Charts

Purpose: To show the effect of using credit on future buying potential.

Procedures: A series of color charts are made to accompany a discussion on credit illustrating step by step what takes place when a person borrows money, and the opportunity cost involved in using credit.

Students develop the means by which they can illustrate opportunity cost through a series of charts.

They draw the charts and add the script to accompany each drawing.

Example: Borrowing for a TV Set

After careful consideration of income, expenses, and other income needs, a typical American family, the John Paul Jones family decided to borrow $500 for a period of 12 months to purchase a color television. Mr. Jones arranged to get a loan from the XYZ Loan Company. He was issued a check for $500. He also has increased purchasing power. His monthly check received for his wages, and the money he borrowed is equal to $1,100 that is available for spending this month.

The family goes shopping and purchases the color television they wanted.

Next month, John Paul Jones will not have $1,100 to spend. He will only have his monthly income of $600. When allocating his income for the next month, in addition to his other monthly bills to be paid, he will have a new bill of $41.66 a month to be paid in 12 monthly installments to the XYZ Loan Company. His buying potential will decrease by $500 over a period of the next 12 months.

The opportunity cost to the Jones family is the $41.66 per month given up which could be used to buy other things, or which could be placed in a savings account.

[1] Students should be prepared in advance to ask intelligent questions on such things as the true annual interest rate. The opportunity cost principle can be introduced again, for the additional cost of buying on credit means that the consumer is sacrificing the chance to buy some other good or service with that money. The general problem of interest rates can be included. Does the speaker think that consumers are helping to cause high interest rates by buying on credit to an unnecessary extent? How are interest rates affected by the supply of and demand for credit? Should government control credit buying to a greater extent? If so, how? If not, why not?

ACTIVITY 38

Idea: Skit—Saved by Savings

Purpose: To help students to become aware of the importance of their own personal savings accounts.

Procedures: Develop understandings with students about the role of commercial banks in the financial activities of individuals and businesses.

Develop a background of understandings about income and sources, including interest from savings.

Discuss roles that should be included in a skit to illustrate the ideas discussed.

Ask a committee of students to prepare the skit for presentation to the class. (See below for example of skit.)

Present to the class.

Discuss the points shown in the skit.

SAMPLE SKIT: SAVED BY SAVINGS

Characters: Mrs. Coursey—Nan; Mr. Coursey—Charlie; Bank Teller; Dr. Thompson; Manager; Announcer

Announcer: Welcome to "As the Bank Closes." As our story opens, we see Mrs. Coursey (Nan) weeping with Mr. Coursey (Charlie) wringing his hands by her side. Is it because of sickness? or because of all the bills?

Mrs. Coursey: Oh, . . . get me my aspirin, Charlie.

Mr. Coursey: Yes, dear, Oh—what on earth are we gonna do about all the bills? Insurance will only cover so much, and I'm not a rich man!

Mrs. Coursey: Well, if we don't hurry and pay the bills, they'll be coming for our house! I couldn stand that!

Mr. Coursey: Oh! They wouldn't do that, not for at least two weeks.

Mrs. Coursey: We could always let Mary Martha make potholders, and John could sell fruit at the airport, then there's Tom, he could wash windows and mow lawns.

Mr. Coursey: Of course—We've got good kids, Yeah . . . they'll do it.

Mrs. Coursey: Wait a minute, Charlie. It would be illegal; they're all under age, and we would be arrested!

Mr. Coursey: We must think of something else.

Announcer: As Charlie and Nan fade into the background, we hear moaning and cries.

Later:

Dr. Thompson: Charlie, Nan has got to stop worrying (pauses). She has the biggest ulcer in Hapeville and she

00068

cannot cope with these money problems. And if I understand this correctly, the problem is "No Money." Hmmmm . . . I'd hate to cope with that one myself!

Charlie: But dear old kindly Dr. Thompson—we just received your bill today and that really blew her mind. I had to go out and get another case of aspirin.

Dr. Thompson: Charlie, do you still have that money you put in the bank n 1947 when you were selling vacuum cleaners?

Charlie: 1947! Cleaners! I had forgotten all about that $500.

Dr. Thompson: Well, you'd better hurry—the bank closes at 5 p.m. and it's now 4:30.

Announcer: During the long trip across town, Charlie was happy, thinking of the money he had put in the bank. How could he have forgotten? Charlie arrived at the bank just at 5 p.m. He rushed to the door and stuck his foot in just as the manager was locking up.

Charlie: Give me my money!

Announcer: He was almost violent.

Charlie: It has been here since 1947; I need it and all the accumulated interest. Twenty-five years is a long time, you know.

Manager: There is only one teller here, Miss Rigby. You will find her at the last window.

Charlie: Thank you, sir.

Announcer: Charlie walks to the teller's window.

Charlie: Give me my money, honey!

Teller: May I see your passbook?

Charlie: Of course!

Teller: Mr. Charlie Coursey, why of coursey! I'll run to get your money.

Announcer: Charlie waits patiently while she writes him a check for $906.50—the value of his $500 after 25 years—and has it signed by the manager. She hands it to him and he says—

Charlie: Thank you, my dear—

Announcer: and boogies out the door!

ACTIVITY 39

Idea: Use of Financial Page of Newspaper

Purpose: To familiarize students with the bond section of the financial page of the newspaper and reinforce skill in working with percentages.

Procedures: The class already knows that bonds are means by which corporations and governments borrow money. They also know about kinds of bonds, who issues them, and for what purpose.

The students are asked to bring the bond section from the New York Stock Exchange, American Exchance, or Over-the-Counter section of the newspaper.

They are told how to interpret the following kinds of information:

a. Corporation's name
b. Interest rate
c. Year bond will mature
d. Sales
e. High, low, and last price
f. Net change

The students then answer questions—interpreting the information on the section of the newspaper they have with them.

It is then explained that the price quotation is a percentage (%) of the par value of the bond.

a. 66 = 66% of par value
b. 104 = 104% of par value

The students then figure the dollar price for some of the bonds listed.
It is then explained that when the dollar price is less than par value of the bond—it is said to be *selling at a discount.* And that when the dollar price is more than the par value of the bond it is said to be *selling at a premium.*

The students look at their section of the newspaper and determine which are selling at a discount and which are selling at a premium.

Discuss under what circumstances a bond might be sold at a discount or at a premium. How do these circumstances affect the yield?

Activities 40-68 were submitted by the business teachers in Oklahoma City.

R.G.P.
C.R.H.

ACTIVITY 40

Have each student create a drawing or a diagram that shows income generated in the process of production flowing to households in return for their productive resources. Show the flow of money from households back to producers in return for the goods and services produced.

00069

ACTIVITY 41

When we say a firm must earn a return on its capital (a profit), we mean that it must do so to stay in business, but not that it must be provided a profit even if it is making a product that consumers do not want to buy or when it is operating inefficiently. Ask the students to inquire about businesses that have not been successful in the local community and try to ascertain why they have failed.

ACTIVITY 42

A "fair" return on its capital, or a "fair" profit may mean different things to the consumer and to the producer. What is generally considered "fair" may also vary within the industry.

a. Appoint a committee to study some of the requests of public utilities for rate changes. Have them determine the factors that were considered in asking for the change and the factors used to determine the base used for rates.
b. The drug industry has at times been criticized for receiving more than a "fair" profit. Appoint a committee to study the information available about the industry and present the arguments of the producer and the government about prices and profit.

ACTIVITY 43

The spending of dollar votes by many consumers indicates approval of a product.

a. Have the students discuss what happens to a product if not enough votes are cast for it.
b. What economic decisions must a producer make as a result of the number of votes cast? Consider those listed below. Make additions to the list.
   — expand production
   — go out of business
   — reduce prices
   — improve the product

ACTIVITY 44

A purely competitive market has all of the following characteristics: (a) large numbers of buyers and sellers; (b) identical economic products; (c) independence of buyers and sellers; (d) well-informed buyers and sellers; (e) free access to and from the market on the part of all buyers and sellers. Discuss: (a) Is the market in the U.S. purely competitive? (b) What reasons can you give for the fact that a purely competitive market rarely exists?

ACTIVITY 45

What effect would unlimited competition possibly have on: (a) streamlining and increasing the efficiency of production; (b) reducing costs; (c) improving a product; (d) introducing a new product to the market (consider the fact that to introduce a new product, a firm needs sufficient funds to finance the research needed for the introduction of the new product). Are the funds needed for this research likely to be earned in a situation of unlimited competition? Why or why not?

ACTIVITY 46

Most businesses in the U.S. are subject to private ownership. Have the students name some kinds of businesses that cannot be privately owned and discuss the reasons why they are not privately owned.

ACTIVITY 47

Ask the students to name several local businesses that sell both goods and services. For example, a real estate agency sells lots and houses, but also rents apartments; a service station not only sells gasoline and oil but also makes repairs, fixes tires, and washes cars.

ACTIVITY 48

Students will discuss the following questions: How would your willingness to supply babysitting or lawnmowing services be affected if the customary prices for these services were to double? Were cut in half?

What economic principle does your answer illustrate?

ACTIVITY 49

Have students discuss these restraints on the creation of money: (a) demand for currency by depositors; (b) action of other commercial banks; (c) legal reserves required by the Federal Reserve System; (d) selling government securities through open market operations.

ACTIVITY 50

Have the students work on the following problem to illustrate how banks "create" money:

Mr. Smith takes $1,000 from his strongbox at home and deposits it in his bank. There is a 20 percent reserve requirement in effect. The bank keeps $200 in cash (as required) and loans out $800 to Mr. Jones, the borrower, who deposits the $800 in his bank. This bank, in turn, keeps the required 20 percent ($160) and loans $640 to Mr. Brown. Based on the original $1,000 cash deposit and a 20 percent reserve requirement, how much would deposits expand ultimately as a result of demand deposit creation through various banks?

Let the students work through several steps; then show them that to arrive at the ultimate expansion the initial deposit is divided by the reserve requirement. ($1000 : .20 = $5,000)

ACTIVITY 51

Ask the students to explain the following statement: A businessman will use the resources that maximize profits. For example, when labor becomes expensive because of excessive wage increases, the businessman might find a greater profit margin through the use of automated equipment as a production method. Or, the businessman might automate his firm to increase production to meet demand.

ACTIVITY 52

It is generally agreed that there are three kinds of levels of automation:

1. assembly line automation (at this level, raw materials are converted into a finished product by the use of machinery)
2. feedback automation (at this level changes in production are regulated and controlled automatically by the use of machines)

00070

3. electronic computer automation (this is the level at which complex data are collected, analyzed, and interpreted in a short period of time by the use of machines).

   a. Ask the student to determine the levels of automation that have been implemented in the various departments of Western Electric or some other large firm in their community.
   b. Ask the students to make comparisons between the level of automation on the assembly line with the level in the business office.
   c. Have the students discuss several reasons why one department might be automated to a greater degree than another.

ACTIVITY 53

Divide the class into small groups to discuss the question: How should the cost of technological unemployment be met? (Consider both private and public sources of funds.) Justify each source of funds. The chairman of each group should report the group's suggestions to the class. Compare and discuss the suggestions made.

ACTIVITY 54

Discuss with students ways in which automation can increase the level of employment. Suggestions:

a. Workers will be needed to build the new machinery.
b. Workers will be needed to maintain the new machinery.
c. The increased production resulting from automation brings a need for an increased labor force.
d. The possible expansion of the labor force to produce new products made possible by automation.
e. The increased number of people needed in the service industries.

ACTIVITY 55

Select a current controversial proposal for government expenditure. Appoint committees to study the various viewpoints and arguments concerning the proposal. When material has been prepared, hold an open forum on the advisability of approving or disapproving the expenditure.

ACTIVITY 56

Appoint a committee to obtain information on the method by which the local government prepares and adopts its budget of expenditures. (Have the committee consider using a speaker from the City Manager's or Mayor's office.)

ACTIVITY 57

From local sources, obtain information on the principal taxes levied by local, state and federal governments. Prepare charts to show the relative importance of the various local, state and federal taxes. Display the charts in class. Discuss whether the level of expenditures for the various functions seems appropriate in view of the most pressing needs for governmental services.

ACTIVITY 58

Define progressive and regressive taxes. (A tax is considered a progressive tax when it requires a wealthy person to pay a greater proportion of his income to the government than a poorer person. A sales tax on food would be considered a highly regressive tax, since poorer people spend a greater proportion of their income on food than do the wealthy.) Why is the personal income tax in the U.S. considered to be a progressive tax?

ACTIVITY 59

Have each student select a service performed by one or more of the three levels of government and explain why it would be difficult to provide this service through private financing.

ACTIVITY 60

Ask the students to give examples to show how taxation may be used to control consumption or regulate business.

ACTIVITY 61

Have the class discuss: "Should the tax policies of the federal government be based entirely on its needs, or should tax policies be used to help to prevent inflation and depression?"

ACTIVITY 62

Ask the students to assume a decline in economic activity (recession), and then to consider each of the following as possible actions to be taken by the federal government (indicate and discuss why each action would be appropriate or inappropriate): (a) raise taxes; (b) increase government spending and cut taxes; (c) leave taxes as they are but increase government spending; (d) cut government spending.

ACTIVITY 63

Have the students review the monetary controls used by the Federal Reserve System (see the unit on Money and Banking). Then have a class discussion on combining fiscal policy and monetary policy to help to curb inflation. Have the students name specific monetary and fiscal policy actions that they would recommend and give a logical reason for the recommended action.

ACTIVITY 64

The teacher will make the following statement to the class: "Except for the possibility of borrowing from abroad, the people of a country cannot add to their capital equipment if they consume all they produce. They must *save*." (Saving is income not spent for consumption.)

Ask the students to discuss:

1. What are some of the factors that would influence the amount of saving done by an individual? by a business organization?
2. What are the general forms of savings?
3. What are the major considerations people have in deciding which form of saving to select?
4. What is the effect on the economy when savings are not invested?

ACTIVITY 65

Divide the class into several groups. Assign each group the task of making a decision as to whether, if they were in charge of making investment decisions in different local in-

00071

dustries, they would consider the present time a good time to invest in capital equipment designed to (a) expand productive capacity, (b) improve a productive process, (c) expand production to include a new product.

After making their investment decisions, the groups will compare the factors they considered in making each decision. They note which factors affected all selected industries in the same way and which were different for different industries.

ACTIVITY 66

Have the students discuss how the amount of investment by businesses can be greater than the saving of individuals and business firms. (Investment expenditures can be made from past savings and on credit.)

ACTIVITY 67

Discuss some of the ways in which technological changes and innovations affect investment. Consider: (a) they may force some businesses to invest in order to remain competitive; (b) the businessman may take the initiative in developing still more new products or methods of production, some of which may require substantial investment.

ACTIVITY 68

If the amount of saving by all Americans were to become greater than the amount of investment next year what would be the effect on (1) capital formation, (2) the level of national income, (3) the level of employment, and (4) the rate of economic growth?

Activities 69-75 were submitted by the business teachers in Richfield, Minnesota.

R.G.P.
C.R.H.

ACTIVITY 69

Students develop an individual list of needs and wants for economic goods and services which they have at present or will have in the future. Wants will be classified as essential and nonessential. (An essential want is a need.)

ACTIVITY 70

Students choose from previously made list of wants and needs their five major wants and arrange these wants in order of priority to establish their individual economic goals.

ACTIVITY 71

Teacher lectures on the five national economic goals: freedom, growth, stability, justice and security. Students individually arrange these five national economic goals in order of priority. Using students' individual lists, determine the priority of these goals for the class as a whole.

ACTIVITY 72

Students conduct an informal survey to discover if the local population is aware of what constitutes the basic characteristics of our American economic system. Students will determine which members of the community will comprise the survey (size of sample, what type of person, stratification, and the like), which students should conduct the actual survey to collect the data, which students will tabulate the results and which students will prepare a class presentation interpreting the results.

ACTIVITY

Each student chooses a particular product and prepares a written list indicating what factors may cause changes in:

a. the demand for the products, and
b. the supply of the products

Students use their individual lists for particular products to prepare one large list indicating factors which may cause changes in either supply or demand in general. Class list to be duplicated and handed out to each student.

ACTIVITY 74

Teacher-directed planning session on problems of comparing economic systems. Students will determine *why* they should compare economic systems, *how* to compare them, and suggest an outline to be used for comparing various economic systems of the nations of the world.[4]

Students will organize groups consisting of two or three members to gather information on the economic systems and development (resources, systems, GNP, and the like) of various nations. Each committee will select a nation from a list prepared by the instructor to facilitate gathering data on different types of nations. Each committee will prepare a written report and be prepared to summarize their reports orally to the entire class. The reports will be structured by the outline suggested by students.

ACTIVITY 75

Each student chooses a topic from a teacher-prepared list of problems and/or issues in the area of measuring economic growth. He or she prepares a one-page discussion paper defining or explaining the issues surrounding the problem as it is posed in the topic list and expresses views and opinions regarding the topic. Some of the topics which may be used include:

a. How can economic growth be increased?
b. Should we be concerned if our economy does not grow as fast as Russia's?
c. How can America help less advantaged countries economically?
d. How are economic growth and personal income related?
e. How is economic growth measured?

[4] The outline might begin by asking how each system answers the basic economic questions: What to produce? For whom? How much to produce? How to produce it? It might also provide for the students to determine whether each nation studied basically has a *traditional economy*, *command economy*, *market economy*, or *mixed economy*. Other possible categories are: capitalism, socialism, or communism as economic systems. Since most economies today are in reality mixed economies, the students should determine which type of system prevails in each nation. For instance, a country may have a mixed economy but lean more toward socialism than capitalism.

00072

f. How are economic and population growth related?
g. Why have some poor countries not grown economically?
h. How is demand related to economic growth in the aggregate?
i. Who determines how fast the United States economy should grow?
j. What is the wage-price spiral and how does it affect economic growth?
k. Why is continued economic growth desired?

SELECTED BIBLIOGRAPHY

Teaching Personal Economics in the Social Studies Curriculum.
Teaching Personal Economics in the Home Economics Curriculum.
Teaching Personal Economics in the Business Curriculum.
Teaching a Course in Personal Economics.
Test of Understanding in Personal Economics.

A series of publications, classroom-tested during 1967-1970 for use in improving consumer competence through the schools. Each is a self-contained teacher's guide to introducing the economics of consumer decision-making into one of three curriculums or in a self-standing course. Suitable for junior and senior high schools, and adult education classes. Published in 1971 by the Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036.

Economics in the Business Curriculum.

A collection of 22 articles offering insight into teaching economics within the business curriculum. Articles selected from three publications that resulted from the combined efforts of the National Business Education Association and the Joint Council. Published in 1972 by the Joint Council on Economic Education.

Foundations of Education for Business: National Business Education Yearbook, No. 13, edited by Gladys Bahr and F. Kendrick Bangs.

This Yearbook provides an examination of economic-related, business-related, social-related, and education-related foundations. Part I, Economic-Related Foundations, includes a concise history of the economic contributions of eight eminent economists as well as a discussion of basic economic principles and systems. Part II, Business-Related Foundations, discusses the American institution of business and its component areas. Differing views of the business world as judged by management, labor, and the consumer are also included. Part III, Social-Related Foundations, delves into the philosophical, psychological, and political foundations, and Part V, Education-Related Foundations, discusses the contributions of the various levels of education and major types of organizations to education for business. Published in 1975 by the National Business Education Association, 1906 Association Drive, Reston, VA 22091.

00073